

THE ROLE OF COMMUNICATIONS IN ENHANCING TAX COMPLIANCE

Communications departments' resources, tools
and objectives in the tax administrations of
OECD's Forum of Tax Administration countries

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Abstract			
<p>This study provides an analysis on the role of communications in enhancing tax compliance from building an overall view of OECD's Forum of Tax Administration's member countries' tax administrations' perceptions about communications' role on improving tax compliance. Prior to this study, there was no comprehensive view about the state of communications in the aforementioned countries.</p> <p>This study examines the perceptions of tax administration communications departments on whether tax compliance can be improved by means of communication. In the recent tax-related theories, there are two ways of encouraging the payment of taxes: coercive power and trust. According to theories, trust can be increased by the transparency that modern government communication is nowadays very much aimed towards. The tax communication units of OECD's Forum of Tax Administrations' member countries' tax administrations were viewed in regards of organisational factors, communication practices and strategic approaches.</p> <p>This study has been carried out as a quantitative observational study targeting the members of the aforementioned network. An online survey was used to collect the data and was sent to the member countries in 2017 and 2018. This way it was possible to gain further insight with the year-by-year comparison. In addition, the data obtained through the survey was compared to other materials such as the OECD's Tax Administration Series. Key concepts and theories are related to tax compliance, government communication as well as transparency and trust.</p> <p>One of the key findings of the study is that the size of the tax administrations does not have impact on communications departments' perceptions or activities on enhancing tax compliance with communications. Seems that tax administrations have not been able to leverage the economics of scale communications-wise. All of the tax administrations perceived their communications to be successful despite the variance in their actual performance within strategic goals, usage of different media channels or monitoring their performance. However, tax administrations' attitudes towards transparency have moved in a positive direction within one year.</p> <p>According to the results, communication measurements are underutilised, as they could be reflected more with the goals and directions of communication strategies. The link between strategic objectives and practice is broken, despite the fact that tax administrations use a wide range of different service channels, marketing communicational tools as well as social networks when communicating towards tax payers and stakeholders. With this in mind, it can be said that on a general level, tax administrations are well prepared for the challenges of the new information age and its pressures for more transparency, but do not necessarily have the optimal organisational setting for it yet.</p>			
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This study is conducted as an assignment for the Finnish Tax Administration and in collaboration with the Organisation for Economic Co-operation and Development (OECD).			



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<p>Tässä tutkimuksessa tarkastellaan OECD:n Forum of Tax Administrations -verkoston jäsenmaiden verohallintojen viestintäyksiköiden näkemyksiä siitä, voiko veromyönteisyyttä tai verojen maksamisen neutraaliutta parantaa viestinnän avulla. Tutkimus tuottaa myös kokonaiskuvan kyseisten maiden verohallintojen viestinnästä, jollaista ei aiemmin ole ollut saatavilla.</p> <p>Verotukseen liittyvien teorioiden mukaan verojen maksamisen edistämiseen on kaksi tapaa: pakkokeinot ja luottamuksen kasvattaminen. Luottamukseen liittyvien teorioiden mukaan luottamusta voidaan lisätä läpinäkyvyyden avulla, jota korostetaan myös nykyaikaisissa valtiolliseen viestintään liittyvissä arioissa. Aiemmin mainitun verkoston jäsenmaiden verohallintojen viestintäyksiköitä tarkasteltiin organisatoristen tekijöiden, viestinnällisten toimenpiteiden ja käytäntöjen sekä strategisten lähestymistapojen osalta.</p> <p>Tutkimus on toteutettu kvantitatiivisena havainnointitutkimuksena, jonka kohderyhmänä ovat edellä mainitun verkoston jäsenmaat. Datan keräämiseen käytettiin verkossa toteutettua kyselytutkimusta, joka lähetettiin verohallintojen viestintäyksiköille vuosina 2017 ja 2018. Näin muutoin suppeaksi jääneeseen aineistoon saatiin syvempää näkemystä vuosittaisen vertailulla. Lisäksi kyselyn kautta saatuja tietoja verrattiin muihin aineistoihin, kuten OECD: n Tax Administration Series -julkaisusarjan dataan. Keskeiset käsitteet ja teoriat liittyvät veromyönteisyyteen, valtiolliseen viestintään sekä läpinäkyvyyteen ja luottamukseen.</p> <p>Yksi tutkimuksen keskeinen tulos on, ettei verohallinnon koko vaikuta sen näkemyksiin tai käytäntöihin veromyönteisyyden edistämiseen viestinnän avulla. Vaikuttaa siltä, että verohallinnot eivät ole kyenneet hyödyntämään suuruuden ekonomiaa viestinnän osalta. Kaikki verohallinnot kokivat viestintänsä menestyvän huolimatta siitä, että niiden strategiset päämäärät, eri mediakanavien käyttö tai niiden suorituskyvyn seuranta vaihtelivat paljon. Verohallintojen asenteet läpinäkyvyyttä kohtaan ovat kuitenkin muuttuneet myönteiseen suuntaan vuoden kuluessa.</p> <p>Tulosten mukaan viestinnän mittaamista ei hyödynnetä viestinnän strategisessa suunnittelussa tai käytännön tekemisessä välttämättä kovin hyvin. Strategisten tavoitteiden ja käytännön välinen yhteys näyttää olevan jokseenkin puutteellinen, vaikka verohallinnot käyttävät monia eri viestintäkanavia ja sosiaalisia verkostoja viestiessään veronmaksajia ja sidosryhmiä kohtaan. Yleisellä tasolla verohallinnot näyttävät omaavan hyvät valmiudet vastata nykyajan haasteisiin läpinäkyvyydestä ja veromyönteisyyden lisäämisestä viestinnän avulla, mutta niiden organisatorinen rakenne, strategiset tavoitteet tai käytännön tekeminen eivät vielä ole optimaalisella tasolla.</p>			
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1 INTRODUCTION

This study aims to provide an analysis of tax administrations' perceptions about the role of communications in their operations. The key concept of this study is tax compliance: the attitudes of citizens regarding tax payments, and producing and submitting information to the tax authorities on time and in the required formats. Tax administrations have an interest in enhancing tax compliance since it reduces the need and resources for coercive actions, such as tax audits and fines. If people and organisations pay their taxes voluntarily, tax administrations can function more efficiently and lessen their administrative burden. An underlying assumption behind this study is that tax administrations' input in communications is connected with improving tax compliance. If this is true, then what kind of resources, tools and objectives do tax administrations' communications departments in different countries have, how are the resources allocated and how can they be viewed as being connected to tax compliance?

This study is conducted as an assignment for the Finnish Tax Administration and in collaboration with the Organisation for Economic Co-operation and Development (hereinafter referred to as OECD). The Finnish Tax Administration collects the majority of Finnish taxes and tax-like charges. One of its goals is to improve tax compliance among its clients, both independent taxpayers and corporate customers, so that they would handle tax-related transactions independently and in the correct manner. (Finnish Tax Administration 2017.) The OECD is an intergovernmental organisation that was founded in 1960. It provides multiple forums in which governments can “work together to share experiences and seek solutions to common problems” (OECD 2017a). OECD's Forum of Tax Administration (hereinafter referred to as FTA) was created in 2002. It is a forum on tax administration for Commissioners from 55 OECD and non-OECD countries, including members of the G20. FTA's key aim is to improve taxpayer services and tax compliance by helping tax administrations increase the efficiency, effectiveness and fairness of tax administration and reduce the costs of compliance. (OECD 2017a.)

Currently the OECD produces a biannual Tax Administration Comparative Information Series, the purpose of which is to share information between tax administrations and facilitate dialogue on important issues. The series provides an extensive amount of data as well as trends and best practices. (OECD 2017b.) However, it contains no research, studies or data focusing specifically on the communication in FTA member countries. Hence, both of the aforementioned organisations wish to construct a more or less comprehensive view on the current state of the work practices of tax administrations' communications departments in different countries. This way they could gain knowledge about whether or not communicational inputs have any relationship with tax compliance and develop their activities accordingly. The possible correlations with communications and tax compliance are, however, not straightforward since many other aspects – such as sociological, economic and psychological factors – affect tax compliance (OECD, 2004). Nevertheless, it is interesting to find out how and in which measures resources are allocated in communications and what their assumed “return of investment” is.

An analysis on the current state of tax administrations' perceptions about the role of communications in different FTA countries is hoped to bring valuable information to both the Finnish Tax Administration and to the OECD, from building an overall view of tax administrations' communication practices to possibly improving tax compliance by means of communication. Firstly, the Finnish Tax Administration could position its communication efforts within the FTA countries and learn new ways of designing and practicing them. Secondly, the OECD could utilise the outcomes by recognizing best practices and offering a large scale view on tax administrations' communications for its member countries. The analysis could also be used as a basis for segmentation and listing of key performance indicators.

1.1 Research questions

The topic of this study is complex. Large societal changes such as digitalisation and globalisation affect not only the administrative bodies of governments, but also citizens in general. This change of public life has been described as a transformation from high

modernity to light liquid modernity – as opposed to “heavy” and “solid” (Bauman 2000). The institution-based society that formed during industrialisation has been substituted with one that has neither a fixed place nor time. This change can be seen to affect the functions of public organisations, such as tax administrations. (Kantola 2011.) Furthermore, the image of public organisations is becoming more and more important in the 21st century: the lack in public support cannot be compensated with persuasion or good deeds if they fail to appear effective and legitimate. (Luoma-aho & Peltola 2006, 11–12.)

As fundamental institutions in society, tax administrations also experience new challenges from this rapidly evolving change. Examples of challenges include platform economy and digital currencies, which both could lead to the erosion of the taxation base if necessary steps are not taken. Taking into account this problematic starting point, there are two research questions guiding this study:

RQ1: What kind of perceptions do FTA member countries’ tax administrations’ communication departments have about the role of communication in enhancing tax compliance?

RQ2: How are these perceptions implemented in their communication strategies and practices?

1.2 Structure of the thesis

This study has been divided into five chapters. Following an introduction of the study topic and research questions, chapter two consists of a literature review and presents the theoretical background of the study. The main concepts of the study – tax compliance, government communication and trust and transparency – are explained in this chapter according to their relevance for tax administrations’ communications departments. Chapter two also summarises the previous research carried out in the field of this study, and presents a model for transparency.

After setting the theoretical framework, chapter three explains the methodology and research design used in this study. In this chapter, the reasoning for the selection of empirical research material as well as tools for data collection are provided. Chapter four focuses on the analysis of the gained empirical data and discusses the validity and ethics of the study. Finally, chapter five summarises the central research results and presents suggestions for the FTA member countries as well as for the Finnish Tax Administration and OECD. The final chapter is concluded with directions for further research in the fields of tax compliance and transparent government communication within tax administrations.

2 LITERATURE REVIEW

Previous studies on tax compliance have mainly focused on the economic, political, psychological, technological or methodological aspects of improving tax compliance. A great number of studies have, for example, researched the outcomes of the various strategic directions of tax administrations, such as the level of audits and fines, services and cooperation with stakeholders (Andreoni, Erard & Feinstein 1998). Moreover, as the concept of trust is closely related to tax compliance, recent literature has studied their relationship and possible outcomes (e.g. Kirchler, Hoelzl and Wahl 2008; Eichfelder 2014; Casal 2016). Some studies have focused on the communications of tax administrations from different premises, such as the perspective of organizational communications (e.g. Mirela 2015) but there is still room for a study from a larger, government communication perspective.

The research that has been carried out within the field of government communication, transparency and trust has, however, mostly studied the topic on a broader scale, focusing merely on governmental level. A specific look into the works of tax administrations' communications provides valuable, more specific information about the rationales and practices of governmental transparency. This chapter first reviews the recent literature on tax compliance, and moves on to take a further look on government communication, trust and transparency in such areas which could be seen as relating to tax compliance.

2.1 Tax compliance and information power

Tax compliance has somewhat been a problem since the beginning of taxation (Andreoni, Erard & Feinstein 1998, 818). The concept can be approached from different perspectives, such as law enforcement, public finance, organisational design, labor supply or ethics, or a combination of these (Andreoni, Erard & Feinstein 1998). In this study, tax compliance is approached from the perspective of tax administrations' organisational settings and goals and the wider perspective of government communication.

The concept of tax compliance is problematic since many factors have an impact on it. According to OECD's guidance note (OECD 2004, 36–40), there are altogether five factors influencing tax payer behavior: business factors, industry factors and sociological, economic and psychological factors. People pay taxes for many reasons. These include for example a sense of honesty, fear, a sense of group membership et cetera. Tax compliance also plays a role in fostering overall higher levels of trust in society. (Chovart 2006.) Furthermore, OECD (2004, 41) has divided the spectrum of tax payer attitudes to comply into four different categories as follows: 1) "Supporters", who are willing to do the right thing and act accordingly 2) "Triers", who try to but do not always succeed because of multiple reasons 3) "Resisters", who do not want to comply, but will if the tax administration pays attention to them and 4) "The disengaged", who simply have decided not to comply and do not comply. These are, however, not fixed characteristics, since tax payers can embrace multiple attitudes at different times and in different situations. Overall, the distribution of these categories among tax payers is illustrated in the shape of a pyramid built on the foundation of "Supporters", which reflects the fact that most tax payers are honest and compliant.

In short, tax compliance means the opposite of tax evasion, which is most commonly fought against with audits and fines. A neoclassical model of tax payer behavior considers tax evasion simply as the tax payer's attempt to maximise their utilities. However, tax evasion can also be seen as a sign of disapproval towards the allocation of the collected money and the rules imposed by the tax authority. (Casal et al. 2016, 142.) For example, the main result of Becker et al's (1987) study was that tax-evasion behavior appears to depend also on public expenditures, not only on the public revenue and audit systems.

According to Mackscheidt (1984) the perception of the personal tax burden depends on the amount of taxes paid by others and on the personal benefit derived from public expenditures (Becker et al 1987, 244). Usually these kinds of experimental approaches have included a game-simulation situation in which the participants have different opportunities to evade taxes. These studies have analyzed for example the influence of

socioeconomic factors, tax rate, auditing probability, magnitude of fines (Friedland, Maital and Rutenberg 1978), the quality of information on auditing probability and penalty rates (Spicer and Thomas 1982 and Friedland 1982) and the fiscal inequity: whether or not those who perceive their personal tax burden as higher than that of others would evade more taxes (Spicer and Becker 1980). (Becker, 1987, 244.) However, it has been pointed out that the results of these experiments should be interpreted cautiously because of their detached nature from the real world.

In the age of digital communication new possibilities and threats in tackling tax non-compliance have emerged. A growing number of studies implicate that compliance might actually decrease as an outcome of increasing the level of enforcement. (Cullis 2012, 418.) In order to understand the basis of these new studies, it is worthwhile to have a look at the classic doctrine of separation of powers, which divides the government agencies into three categories: the legislature, the executive, and the judiciary (Vile, 1998). Tax administrations practice public power that can be divided into executive, coercive power and legitimate, soft power. One example of soft power is so called information power, which is based on sharing valuable information (Gangl, Hofmann & Kirchler 2015). Communications can be seen to play a central role in information power.

Kirchler, Hoelzl and Wahl (2008) build upon this notion and have presented a “slippery slope” framework about enforced versus voluntary tax compliance (see Figure 1). According to their findings, there are two forms in which tax authorities’ power can emerge, legitimate power and coercive power. The power of an accepted authority is legitimate and individuals pay voluntary respect to it. Authorities’ attempt to enforce a certain behavior and to direct individuals against their will is described as coercive power. In short, this framework proposes two ways to encourage tax compliance: by deterrence with audits and fines and by building trust relationships with support and services for tax payers. (Kirchler et al 2008, 213.) According to this framework, “enforced compliance” is mainly affected by the power of the authorities and “voluntary compliance” by the trust in authorities.

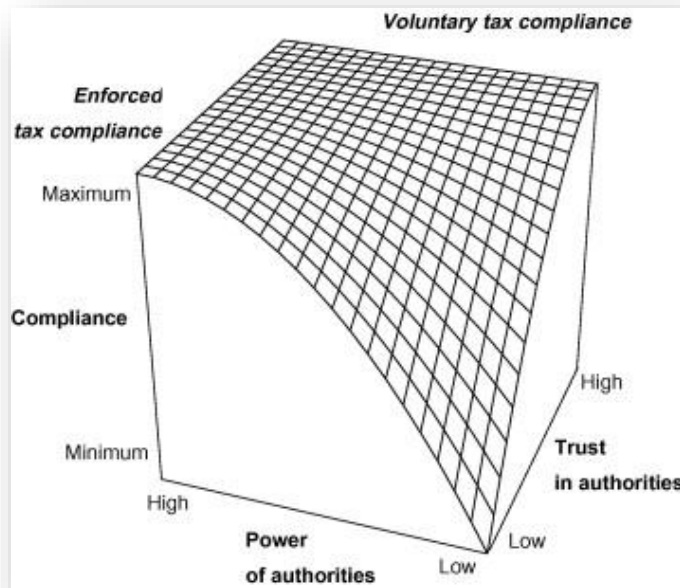


Figure 1: “The Slippery Slope” framework by Kirchler, Hoelzl and Wahl (2008)

The “slippery slope” framework has further been tested for example by Eichfelder (2014). Eichfelder’s estimation based on an empirical study on tax compliance states that the average compliance burden can increase by about 27 % because of a customer-unfriendly tax administration. An interesting finding in this study was that the behavior of authorities affected both “soft” tax compliance factors like fairness and trust, and “hard” aspects like costs. Furthermore, using country-level data from 2003–2014, Mendoza (2017, 289) found that there is a certain auditing level up until where compliance increases, and after reaching that level, compliance starts to decrease. Bobek (2007) has also provided useful research on the same topic. According to her evidence-based findings from Australia, Singapore and the United States, an elevated auditing level can indeed have an unintended effect: it can reinforce non-compliance as a social norm if tax payers think that others are not complying.

Another related concept which has also been found to affect tax compliance is the social distance between taxpayers and tax authorities. By reducing the social distance, tax compliance can be enhanced. This can be carried out by for example both letting the tax

payers express their preferences on the use of the collected money, and perhaps participate in the decision making. (Casal, 2016.) Often tax authorities do not have a possibility to directly affect tax laws, but increased participation from tax payers' side could be beneficial. There is a consensus in recent literature that participation has a positive correlation with tax compliance. Taxpayers' willingness to comply can, for example, be increased by a possibility to vote on features of the tax system. Individuals' involvement in the development of the fiscal rules increases their perception of procedural justice, which then results in a higher level of trust and again in higher tax compliance. (Casal 2016, 142.) This could be carried out by including tax payers when designing services and by actively collecting feedback from them. It should be noted that communications has a vital role in reducing the social distance between tax payers and tax administrations.

However, according to economic literature, there is an ongoing debate on whether tax evasion or tax non-compliance can actually be affected by “soft facts” like perceived fairness and trust, tax morale and social norms, or “hard facts” like tax rates and costs, detection probabilities and fines. Paying taxes can be regarded as one example of fulfilling citizen responsibilities, although it might be considered undesirable. Mirela Calugareanu (2015) studied the role of communication in how the state could intervene so that the citizens can realise the importance of these responsibilities. According to her, “a rise in the voluntary compliance to declaring and paying the tax obligations, which is part of creating a more efficient tax collection process, cannot be obtained without creating a better public perception regarding the tax authority” (2015, 326). Therefore, it is important for tax administrations to communicate the basic reasons of their existence.

Popescu (2007) has come to a similar conclusion, stating that the lack of coherence regarding efficient communication about the objectives of the public institutions can cause distrust among citizens. One example of a communication barrier is the use of jargon or clerk-specific language (Calugareanu 2015). Furthermore, according to OECD (2017c, 34) communication should not be used only to underline that non-compliant tax payers will be detected. In order to promote the social norm that remaining compliant is useful, it is important to reassure the public that most tax payers are honest and tax

compliant. This is in line with Bobek's (2007) finding that was mentioned earlier, and could be enforced with improved communications. Furthermore, deterrence such as information about tax audit and fines has been found to be more effective if strong social norms already exist (OECD 2017c, 34).

Kirchler et al. (2008, 216–217) argue that within a tax compliance context, trust depends not only on participation but also on knowledge. More knowledge about taxes leads to greater trust towards tax authorities and therefore higher compliance. Vice versa, less knowledge or misunderstandings leads to distrust and non-compliance. Simplifying tax laws, increasing tax payer services and educating tax payers with easily understandable and transparent communication could be seen as ways to increase trust in authorities and enhance tax compliance. According to Vihanto (2003), tax payers decide whether or not to comply by following patterns that have produced good results in the past because of their limitations on information and cognition. However, it is important to remember that authorities can also interpret tax payers' unintentional mistakes as tax evasion (Kirchler 2010, 332).

Futhermore, Alm (2011) argues for a “full house of compliance strategies” in order to combat tax evasion. First of all, strategies should include a traditional enforcement paradigm. Secondly, strategies should include a service paradigm, in which tax administrations role as “kinder and gentler” is viewed as an important part in encouraging compliance. Thirdly, there is a demand for a new trust paradigm built on the foundation of ethics. It should be recognised that by its own decisions, tax administrations can either erode or reform the ethics of taxpayers. The concepts of trust and transparency will be discussed in further detail in the context of tax administration after first shedding light on the theories and practices of government communication.

2.2 Government communication and transparency

Government communication is related to concepts of political public relations, government public relations and government political marketing (Sanders & Canel 2013). Even though tax administrations' perceptions about the role of communications could be viewed from an organisational communication or corporate communication point of view, this study focuses specifically on research and theories based on government communication.

Government communication seemed to be a rather neglected area for scholarly interest, but the situation has changed within recent years. However, as Sanders and Canel (2013, 1–2) put it, "there is no thorough and systematic interdisciplinary study of the subject". A growing number of researchers have lately been interested in governmental communication and related concepts, such as government public relations. From the perspective of public relations theory and relational theory, governmental communication can be seen as relationship building and these government-public relationships are built from interaction, transaction, exchange and linkage between the government and public. The success of communication is then primarily measured by the quality of the relationships: loyalty, trust, openness, satisfaction, commitment, involvement and mutual understanding with the stakeholders. Therefore, the scope of government communication should include activities of reputation and issues management and relationship building instead of focusing on media relations. (Sanders & Canel 2013, 7–8.)

When focusing on relationships with the public, the concept of government as a communicator is altered. The public should not be seen as a passive receiver but as an interactive actor. (Sanders & Canel 2013, 9–10.) Vos (2004) has made a similar observation by stating that communication is an important function of governmental organisations. In order to establish mutual interaction with citizens, governmental organisations should be transparent, accessible and responsive. Taking into consideration the societal changes mentioned in the introduction of this study, this is a matter of significance. According to Luoma-aho and Peltola (2006), citizens'

expectations have increased towards public organisations. In addition, technological development, economic pressures and new legislation emphasise the importance of communication and increased transparency.

Luoma-aho and Peltola (2006) claim that the traditional view of the public sector as bureaucratic and slowly developing has been questioned. In today's communication society, the world around public organisations has become fast and information-enriched. In this society, intangible assets such as citizens' trust, assessments of reputation, stakeholders' perceptions and levels of involvement are increasingly emphasised. Administrative processes and efficiency are no longer the only research topics of the public sector. Public organisations' transparency in both their internal and external relations is a key factor for surviving in the communication society.

Furthermore, Tria (2012) has collected the main factors of public sector change from previous studies. According to his listing, governments operate in an increasingly unstable environment. Globalisation and internationalisation require flexibility and adaptation skills from public sector administrators as they need to redefine their boundaries as well as operate across them. Public resources face a growing shortage which affects the service delivery. There is also a widespread perception of the inefficiency of the public sector, which together with growing expectations on the quality of provided services creates pressure from citizens.

Compared to the private sector, government communication faces a complex variety of audiences, requirements, goals and resources. It operates in an environment that is multilayered and organisationally diverse. For example, the goals of communication often face conflicting objectives from politics which can be perceived as problematic. Communication has to take into account many different groups of stakeholders such as minority groups, service users, politicians and regulatory bodies. (Sanders & Canel 2013, 3.) According to Tria (2012), there are four imperatives forcing public sector reforms: enhancing transparency, boosting the motivation of public servants, improving leadership and measuring performance.

When pulling some preliminary findings together from the literature reviewed so far, it can be assumed that transparency and trust are central concepts related to government communication. In addition to them, accessibility and responsiveness are values with stressed importance in the relationships between citizens and governments (Sanders & Canel 2013, 10). Sanders and Canel (2013, 290–291) also note that governments' organisational structures have become more specialised in many countries. The development of social media and citizen engagement goals have made governments' communication objectives and channels more complex. One of the key developments in government communication is the utilisation of new technology. Nowadays, governments are using the internet to deliver government services and messages more efficiently. More specifically, social media is used to interact not only with citizens, but with mainstream media as well. (Sanders & Canel 2013, 310.) This can be seen as a beneficial response to the increasing demands of the public, since the potential of social media lies especially in its ability to be dialogic and interactive (Hong 2013, 348).

However, this stream of development and new technologies has two sides. The internet can also be seen as the cradle of rumor, disinformation and special interests. Powerful groups such as governments or corporations can manipulate its dynamics for their interests only, and as for example Fuchs (2014, 58 & 89) has noted, concentrating only on the democratizing effects of digital media is naïve. Also, it should be noted that the greatest challenges related to social media are not the technologies themselves but their adaptation to institutional settings and given administrative and political situations. The core features of social media in public administration can be listed through the terms collaborative, traceable, searchable, linkable and open. (Criado 2013, 320.)

But how can these complex and multiple dimensions of the relationships between transparency, trust and government communication be studied in regards to the aforementioned research questions? Fairbanks (2007) offers a useful tool by listing three factors influencing transparency in governmental communication in his three dimensional model for transparency in government communication: personal, organisational and resource factors (see Figure 2).

Personal factors refer to individual communicators whereas organisational factors refer to the notion that within an organisation, managers or administrators have an impact on transparency. Resource factors consist of time, staffing and money. Sometimes it can be difficult to convince agency staff of the value of transparency, because acting and communicating in a more transparent way takes more time and can be very costly. In some situations, there is not as much workforce available as transparency would require. From Fairbanks' (2007) model it is possible to further deepen the understanding of transparent government communication and move from a theoretical level into more practical issues, such as the utilisation of different media channels. As mentioned earlier, new technologies with internet in the forefront need to be leveraged by government organisations in order to keep up with rest of the society's pace.

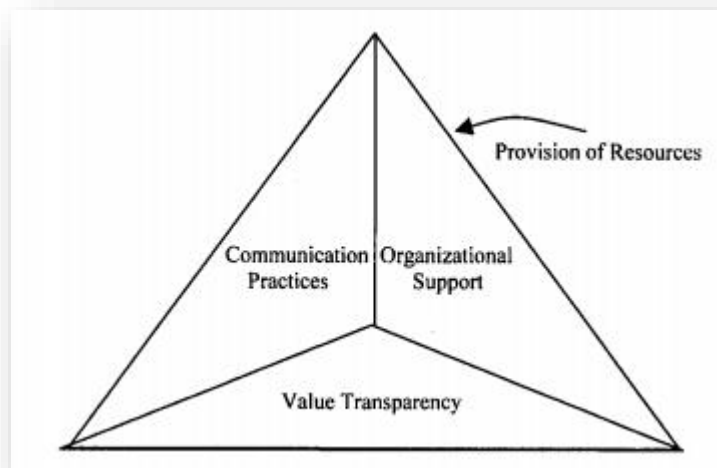


Figure 2: Fairbanks' (2007, 36) "Three dimensional model for transparency in government communication"

To complement Fairbanks' (2007) model, Taiminen et al. (2015) indicate that the online environment has made traditional push-centered organisational communication ineffective. There has been a move towards "searchable, customizable and relevance-driven content". Engagement is the central idea in this new environment, where value comes from informative and entertaining content, which is provided also outside the organizations main product or service. However, this new kind of hybrid content often

lacks transparency as to its source, aim and origin. Taiminen et al (2015) summarise that according to scholars, transparency is related to trust, credibility, openness, truthfulness, and public information needs. They suggest four propositions to support organisational communication in the new hybrid online environment. Firstly, in order to enable trust, transparency requires the source and processes to be identifiable and understandable. Secondly, stakeholders should have the opportunity to participate and to give feedback. Thirdly, content should be published through stakeholder-centric, not organisation-centric arenas. And fourthly, content created by organizations should focus on organizational expertise. Propositions concerning participation, feedback and publishing through the arenas where the public already is are especially fruitful from the viewpoint of 21st century's favorite buzzword: social media.

When looking deeper into social media in the setting of government communication, Mergel (2013) has suggested a three-stage adoption process for social media use in government. The first stage is called *Intrapreneurship and experimentation*, where individual change agents within the organisation are informally experimenting with new technologies and social media services. The second stage is called *Order from chaos*, which could be characterised as an organisation's attempt to control the variation of social media services and technologies from the first stage, and hence minimise the possible risks of heterogeneous experimentation. In this stage the organisation initiates a standard-setting process. The third and final stage is called *Institutionalisation*, where the organisation is managing the utilisation of new social media services and technologies with standards, rules and processes. On the one hand this reduces experimentation and slows the rate of change, and on the other hand it allows the innovation to spread wider within the organisation.

Furthermore, Grimmelikhuijsen (2014, 154) proposes that government organisations should have a diversified strategy in terms of information dissemination. Simple and comprehensible information might be useful for people with less knowledge but it does not necessarily convince information savvy citizens, so the latter should be persuaded with more extensive and detailed information. However, less interested citizens with less knowledge should not be expected to visit government websites out of one's own

accord. They should be approached actively with something that draws more attention and is present where the public already is, such as social media, and thereby “seduce” them to access government information. In order to strengthen citizens’ trust in government organisations’ performance and intentions, transparency efforts should be targeted at specific groups and with different approaches.

There is indeed a demand for new perspectives on government communication. After all, as Glenny (2008, 165) puts it, "government communication is about the public, not the minister or the public servant". Communications truly has the potential to increase the public's engagement and participation in government, which is something that should be kept in mind by tax administrations’ in their efforts to enhance tax compliance.

2.3 The effect of transparency on trust

As seen from above, trust and transparency are important concepts of democratic governance and government communications. This chapter sheds light on the ways in which transparency can help government organisations gain trust from citizens.

Trust is a multidisciplinary concept and has many definitions. Rousseau (1998, 399) has categorised trust into four different forms: Deterrence-based trust, calculus-based trust, relational trust and institution-based trust. Deterrence-based trust can be seen as a substitute for control, where control mechanisms “come into play when adequate trust is not present”. Calculus-based trust has its foundation in rational choice and may be enhanced with additional information such as reputation or certification. Relational trust is based on the relationship itself, in short, repeated interactions between the trustor and trustee, whereas institution-based trust derives from institutional factors such as legal forms, social networks and societal norms. However, it is important to understand that trust should not be conceptualised in one form only. In many situations, trust can take various forms together. (Rousseau 1998, 401.) Fortunately, Rousseau (1998, 395) provides an overall definition that suits this study well: "Trust is a psychological state

comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another."

As stated earlier, transparency is closely related to trust and highly valued in today's governments. It has also been studied often and highlighted in practice. In the literature, transparency is often presented as a tool which can be used to enhance accountability: decrease corruption and disseminate information about government's performance. Most studies are based on the idea that transparency is a critical part of an efficient economic and political system. From a broader point of view, transparency can be seen as a cornerstone of democracy as modern democracy is based on the idea of transparent government. (Tria 2012, 26.) Grimmelikhuijsen (2012, 55) describes transparency as "the availability of information about an organization or actor allowing external actors to monitor the internal workings or performance of that organization".

Governmental transparency can also be understood as transparent information exchange between countries. However, in this study it is considered as transparent communication between the tax authorities and tax payers and from the tax authorities to tax payers. From a historical perspective, transparency is not a new concept. English philosopher Jeremy Bentham used the concept of transparency in a modern governance-related sense already in the 1790's (Heald & Hood 2006, 9).

Furthermore, Heald and Hood (2006, 11) point out that even though the word transparency itself came to its current position in twentieth-century doctrines of governance since the 1980's, the concept or many of its key doctrines are not an invention of the twentieth century. Transparency has its origin in accountability and can also be seen as one of the main concerns in today's society. Literature related to transparency is mostly focused on a utilitarian perspective, and even though transparency may be a universally desirable asset, it can also conflict with political interests and social values. The concept of transparency can be divided into different perspectives. It is often approached from a one-way information disclosure, where the issuer is in focus. (Heald & Hood 2006, 11.)

More recent contributions range from radical transparency to dynamic and optimal transparency. The potential of the Internet for transparency has been analysed in many studies, but what is often absent in the definition of transparency are the channels for information. (Baraibar 2015, 3.) Hence, the dialogic nature of the Internet and its applications is also forgotten. According to Rawlins (2008), transparency relates not only to the openness of communication but also to stakeholder perceptions of mutual respect between an organization and its stakeholders. Baraibar (2015) builds upon this by stating that transparency is the key of organisational communication in today's media environment, where audiences can share information and also become issuers of information in addition to simply being receivers of it. Furthermore, she proposes a seven step model for organisational transparency, which is based on the six W's commonly used for example in journalism: what, why, when, how, where and who.

There are two opposing views on transparency's effect on trust. Many scholars think that transparency has positive effects on trust. In short, the better the citizens are informed, the more trust they have in government. Transparency creates understanding and brings people closer to the government. People can be expected to change their attitude more easily in response to a message if they have a limited knowledge about the topic, whereas those who already have a substantial knowledge about the topic do not learn as much new information from it, and hence do not change their opinion so easily. (Grimmelikhuijsen 2014, 143.)

However, some scholars (e.g., Bovens 2003; Etzioni 2010; O'Neill 2002, 2006) emphasise the negative effects of transparency, such as misinformation or scandals which could lead to a decline of trust. Increased transparency enables citizens to audit government, and according to opponents, people could therefore blame government for small mistakes over and over again. (Grimmelikhuijsen 2014, 142.)

Even though taxation touches every citizen in one way or another, it may be that some tax payers see it only as obligatory burden and do not have a deeper understanding of its elements. Moreover, tax policies and political lobbying about the legislation of taxation can easily take the lead in conversations from the tax payer's point of view. According

to Grimmelikhuijsen (2014), if people already have a high knowledge about the topic, transparency does not have an effect on trust at all. In this sense, transparency about a perhaps less-known topic such as taxation should increase trust.

When debating about the costs and benefits of transparency, the concept of transparency can also be divided into different directions: vertical such as upward and downward transparency, and horizontal such as inward and outward transparency. Vertical upward transparency means that those who are superior in hierarchy can observe the behavior and results of those of lower rank. Vertical downward transparency means the opposite: when the ruled can observe the behavior and results of their rulers. These rights of the ruled towards their rulers feature notably in democratic theory and practice, and can often be put under the concept of accountability. (Heald & Hood 2006, 27.) In short, it is a feature that exists in democratic societies but not in totalitarian ones (Heald & Hood 2006, 37). If both upward and downward transparency exist, it can be said that there is symmetrical or reciprocal vertical transparency.

As explained above, horizontal transparency consists of outward and inward transparency. Outward means that a hierarchical subordinate can observe outside the organisation. This kind of ability is crucial to an organisation's capacity to understand its environment and to monitor the behavior of its competitors or peers. Inward transparency means that the outsiders can observe what is happening inside the organisation. It is relevant to mechanisms of social control which enforce behavior and to freedom of information legislation. This kind of inward transparency can be related to being watched by peers and surveillance. Privacy often involves setting limits on inward transparency. (Heald & Hood 2006, 28–29.)

When both outward and inward transparency exist, there is symmetrical horizontal transparency. These different directions of transparency extend the concept of governmental transparency. In many cases, citizens' connotations of governmental transparency can often be seen to refer only to downward and inward transparency. Besides the directions of transparency, the concept can also be analysed within three

dichotomist varieties: event versus process transparency, retrospective versus real time transparency and nominal versus effective transparency. (Heald & Hood 2006, 28–29.)

Nominal transparency refers to a situation where transparency appears to increase by some index, but the reality differs greatly. The gap between nominal and effective transparency is described as *transparency illusion*. In order to be effective, transparent information must also have receptors capable of processing and using it. (Heald & Hood 2006, 34.) In the world of taxation, one example of nominal transparency could be reports and articles featuring a lot of jargon or information that can be understood only by experts. Directions and varieties of transparency provide an analytical framework for studying them.

In order to enhance their transparency, governments around the world provide a variety of information about their activities and performance on websites (Grimmelikhuijsen 2014, 137). This can be seen as a rational reaction for the ever growing demands of today's world. Studies concerning citizens' use of information and transaction services on government websites have provided mixed findings about whether they are linked with citizens' trust in government. For example West (2004) and Morgeson et al. (2011) found no significant evidence that use of government websites would lead to greater trust. However, several studies (Sharoni, 2012; Welch et al., 2005) have found that trust towards government increases with citizens' use of governmental websites for information and transactional services. Furthermore, in a study about government websites with transactional and informational services and social media's influence on government-public relationships, Hong (2013) found that the use of social media was related to greater trust in the local and state level of government. Moreover, informational online services on websites were also associated with greater trust on a local and state level, whereas transactional services were associated with trust on a federal level. However, it was successful experiences with channels that were in a major role, not the utilisation of channels itself. According to the study, bad experiences can even have a backfiring effect in terms of trust. (Hong 2013, 346.)

2.4 Towards a model: Transparent communication in tax administrations

Both governmental communication and tax compliance can be seen to consist of intangible assets, which again demand more transparency in order to be understood by the public – and also in order to gain more trust from the public. In this chapter, a three-dimensional model of transparent communication in tax administrations is proposed. The model can then be used to analyse the data of this study.

To sum up the theoretical literature review, enhancing tax compliance requires both coercive, deterrence-based power and soft, trust-based power (Kirchler, Hoelzl and Wahl 2008). Excessive use of enforcement such as audits and fines can, however, lead to a decrease in compliance level (e.g. Cullis 2012, 418; Mendoza 2017, 289) so the two somewhat opposing means for tax compliance need to be in balance. Deterrence-based power is most efficient when it is practiced on risk-evaluation and data (e.g. OECD 2004). Trust-based power can be enhanced with informing, participating and engaging tax payers as well as with strengthening the social norm that most tax payers are actually compliant (e.g. Casal 2016; Bobek 2007; OECD 2017c). Communication plays a role of great worth in this, as transparency is seen to have a positive impact on trust and because communication is vital for transparency, information dissemination, engagement and conveying social norms (e.g. Rawlins 2008; Grimmelikhuijsen 2014; Baraibar 2015; Calugareanu 2015).

From these preliminary findings it is possible to design a model for transparent communication in tax administrations, in which the model's primary goal is to increase trust-based power and thus tax compliance. In order to do so, we must first glance back at the literature on government communication and the impact of trust on transparency.

Building up on Sanders' and Canel's (2013, 14) framework for the analysis of government communication, two main elements can be found: structure and process. The first one includes formal rules such as organisational charts and policies and guidance, financial resources, and skills, knowledge and values. The second one

consists of information gathering and analysis, information dissemination and information evaluation.

Moreover, Fairbanks' (2007) three dimensional model for transparent government communication provides a very useful foundation to construct a new model specifically designed for tax administrations. When adding findings from research on social media (Carlo Bertot 2012; Criado 2013; Hong 2013; Mergel 2013) as well as transparency's impact on trust (Welch et al., 2005; Heald & Hood 2006; Luoma-aho and Peltola 2006; Sharoni 2012; Grimmelikhuijsen 2014) altogether three comprehensive factors can be formed for the model: 1) Organisational factors 2) strategic factors and 3) factors related to communication in practice (see Figure 3).

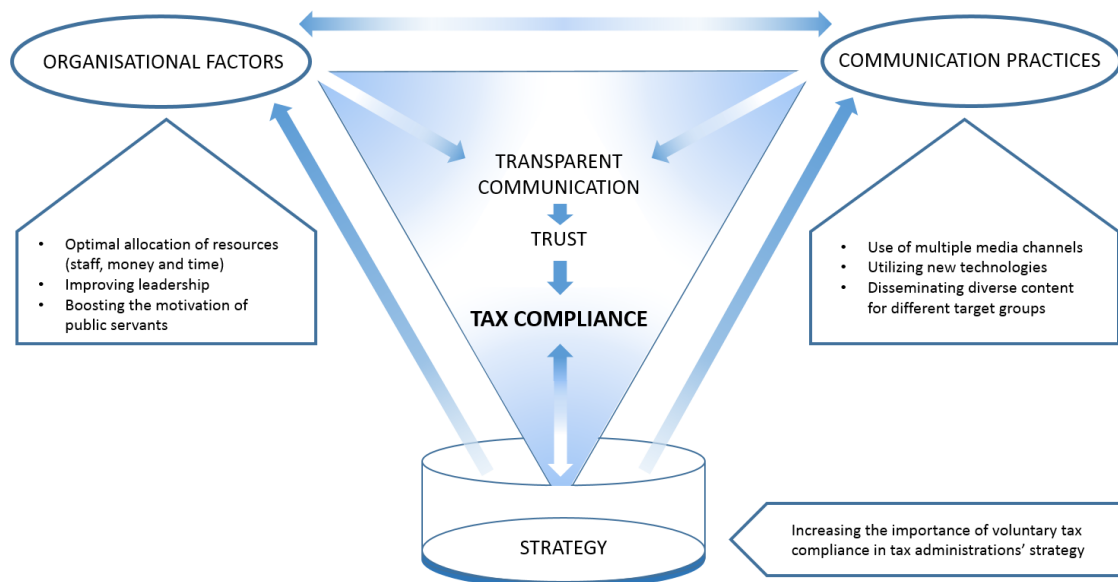


Figure 3: Model of transparent communication in tax administrations

Firstly, organisational factors such as allocation of staff, money and time have an impact on the level of transparency (Fairbanks 2007). Boosting the motivation of public servants and improving leadership can be seen as key topics in public sector reforms (Tria 2012) in a world of liquid modernity where the demands of the public have risen (Bauman 2000; Luoma-aho & Peltola 2006). Secondly, the “slippery slope” framework

stresses the importance of voluntary tax compliance in tax administrations' strategy (Kirchler, Hoelzl and Wahl 2008). Tax administrations' strategies should include a service paradigm as well as respond to the demand for a new trust paradigm (Sanders & Canel 2013; Alm 2011), which includes a need for rise in transparency.

Thirdly, in order to enhance transparency, tax administrations should have a diversified communication strategy (Fairbanks 2007; Grimmelikhuijsen 2014, 154) and strive towards a better public image (Calugareanu 2015, 326). In practice, this means a variety of media channels with different target groups, utilizing new technologies and disseminating coherent yet diverse content. In the following chapter, this model of transparent communication in tax administrations is operationalised in terms of selected research methods and empirical research data collection.

3 METHODOLOGY AND DATA COLLECTION

In this chapter, the methodology and means of data collection behind this research are explained. By doing so, a relevant foundation for the analysis of the results is provided.

This is an observational quantitative study that has a comparative element to it.

Observational means that for this particular study, observations have been collected using a research instrument, in this case a survey questionnaire. The data found from this research instrument is then used to visualise and analyse the results.

Comparativeness means that this study collects its data at two points of time and utilises additional datasets in order to make comparisons between the subjects that are being researched upon. (Punch 2005.)

More specifically, this is can be viewed as an explorative, inductive study that aims to describe tax administrations' communications departments' perceptions about the role of communications in enhancing tax compliance in different FTA countries – as opposed to confirmatory, inferential statistics research (Punch 2005). By visualising and analysing the survey results it is possible to find correlations between tax administrations' communicational objectives, their actual implication and possible outcomes considering tax compliance.

As will be further elaborated later on, the data from FTA tax administrations was collected from two consecutive years 2017 and 2018, respectively. There are three theoretical approaches in comparative communication research identified by Esser and Hanitz (2012): Actor/behaviour-centred approach, structuralist or institutional approach and culturalist or interpretative approach. The first approach focuses on "individuals and groups as actors who make strategic choices in their communication behaviour". Second approach focuses on "the broader framework conditions of macrolevel communication arrangements that constrain or facilitate the communication behaviors of actors" and third "focuses on ideas, interpretations and mental construction of collectives and individuals as placed in the context of shared meanings within

communities." (Sanders & Canel 2013, 11–12.) From this perspective, this study's theoretical approach can be labelled as structuralist or institutional.

3.1 Research frame

OECD's FTA consists of 55 tax administrations from OECD and non-OECD countries. As it was assigned to study specifically the communication departments' perceptions and activities in the tax administrations of these countries, there was no need for utilization of different methods or theories to select the countries. To put it simply, the subjects or informants of this study were readily available.

Taking into account the fact that these tax administrations are located around the world, it was clear from the start that data collected for this study had to be accessed remotely. This ruled out the use of ethnographic research methods. Furthermore, studying tax administrations' communication only from an outside perspective such as analysing websites, social media channels and the like was also considered to be unreliable and complicated due to language barriers. However, none of these factors delimited whether this study could be conducted through qualitative or quantitative methods, which can be seen as one of the fundamental divisions in research (Walliman 2006, 36).

There were certain limitations that came with the assignment and eventually led to the selection of a quantitative method. First of all, there were limited time resources and practically no financial resources reserved for conducting this study. Secondly, both the OECD and the Finnish Tax Administration wished to have an overall view on FTA member countries' tax administrations' communications. Hence, all of the countries should have an equal possibility to be part of this study, and no cultural factors or technological limitations should bias the data. Thirdly, as communications is not a core function of tax administrations, presumably there would also be temporal limitations on the informants' side: one could only allocate a limited amount of time for participating in this study. When weighing the options in a pragmatic way, it was decided that a quantitative survey questionnaire would be the best alternative for collecting data for this study.

3.1.1 Survey questionnaire

Within social sciences, a survey is one of the most popular and utilised research methods. The term “survey” is very broad, covering many types of research methods and used in many contexts and ways. Surveys can be both quantitative and qualitative. In this study the survey is used as a quantitative data collection tool. (Punch 2003.) Qualitative surveys often have many open ended questions, and the answers are then analysed as words and not converted into numbers.

According to Punch (2003), there are seven main elements in a quantitative survey: the objectives, the research questions, the questionnaire, the sample, the data collection strategy, the data analysis strategy and the report. The objectives of this study were presented by the Finnish Tax Administration and the OECD when assigning the research, and research questions were derived from the assignment with the help from previous researches related to the topic. The survey questionnaire was then designed by reviewing previous literature and utilizing the constructed model of transparent communication in tax administrations presented earlier (see Figure 3).

Sampling was not needed since it was possible to collect the data from the entire population defined in the objectives. The data collection strategy was formed considering the given timeframe and resources defined by the objectives of the study. After collecting and cleansing the data, it was analysed through suitable statistical methods elaborated in chapter 4.3 Data analysis.

The report was written during the whole research period and slowly refined into its final version after the data analysis phase. Finally, an additional, short version of the report was compiled which presents the key findings of the study, best practices to be utilised by the FTA member countries and topics for future research and consideration.

Because of the small number of informants, 55 altogether, it was important to have a high response rate. Hence the survey used in this study was designed to be as easy to answer as possible, and consisted mainly of multiple selection questions. This was also to minimise the possibilities of misunderstandings. Basically, the only open ended

questions were related to quantitative data such as budget, number of full time equivalent employees (hereinafter referred to as FTE's) and some focusable options of multiple selection questions, such as "Other, please specify".

Questions for the survey were derived and modified from multiple previous communication research surveys, such as The European Communication Monitor, which is the largest transnational study on strategic communication worldwide. It has been conducted annually since 2007 with more than 2,700 participating communication professionals from 43 countries in the current edition (Zerfass 2016). This way the questions had already been found to be relevant. Another example of previous studies that were utilised are OECD's survey regarding the use of social media on a governmental level (Mickoleit 2014). The variables in the survey questionnaire were varied: Continuous and discrete numeric variables, nominal and ordinal categorical variables and dichotomous variables.

More specific information could have been found with qualitative methods such as interviews, but as the tax administrations are located around the world, there would have been challenges with different time-zones and research resources.

3.1.2 Operationalising the model of transparent communication in tax administrations

The survey questionnaire consisted of a total of 20 questions in 2017 and 21 questions in 2018. It was tested in 2017 with a pilot version which was sent to three different FTA countries, which were chosen on the basis of their different tax political and linguistic characters. However, as the feedback from the pilot version was scarce and was not provided on time, only minor modifications were made to the questionnaire accordingly. The questions used in this study include basic demographic questions, medium specific questions and questions operationalised to give further information about communications departments' perceptions, objectives and activities towards tax compliance and institutional transparency.

The online survey questionnaire was divided onto eight pages, of which the first one was introductory (for the full survey, see Appendix 1). Within these eight pages, the survey was divided into six sections according to the Model for transparent communication in tax administrations presented in chapter 2.4: Background information, Communicational activities, Engagement, Monitoring and analytics, Strategic objectives and Transparency. The background information section consisted of questions about communications departments' budget and staff as well as a self-reflective question about the successfulness of their communication.

The section on communicational activities consisted of questions aimed to provide insight on the current communicational practices that were being carried out, such as channels and services, media formats and social media channels. The engagement section consisted of questions about the perceived importance of different methods in addressing different audiences, issues that are believed to be important for public relations and/or communication management as well as relevant items that identify tax payer engagement. The section about monitoring and analytics concentrated on the measuring of communicational activities and the usage of the insights, a key indicator of public sector reformation (Tria 2012). It also had a question regarding segmentation, which is believed to strengthen citizens' trust in government organisations (Grimmelikhuijsen 2014, 154).

The section about strategic objectives focused on the strategic actions and objectives of the communication departments. It included questions about communications' perceived importance regarding tax compliance, the closeness of the communication function within other units and management and, finally, the importance of supporting, advising or enabling different staff segments to communicate. This section also consisted of questions about the importance of different gatekeepers, strategies, instruments and international communication, as well as the impact of social media on perceptions and international communication.

The final section, Transparency, included questions about the importance of transparency with additional questions about actively used media formats. The survey concluded with questions about the organisation's attitude towards transparency.

3.3 Data collection

The online survey questionnaire was sent to the communications departments or equivalent agencies of the OECD's FTA countries' tax administrations in two consecutive years, 2017 and 2018 via e-mail. In 2017 the survey was sent on 26 April by an OECD official as part of a monthly e-mail newsletter. It included a brief summary of the cover letter and a request to answer the survey. By clicking the link the cover letter opened into a new tab, which then had a link to the survey questionnaire. A reminder was sent 9 May 2017. The survey was open until 15 May 2017, although two countries provided answers after the official deadline.

The survey was sent to all of the 55 FTA member countries, from which 25 countries from four continents responded (response rate 45 percent). It should be noted that this is a small number of target population and respondents for a quantitative study. However, there are no more informants for the research questions in the assigned scope of this study. According to Punch (2003, 47), it is possible to collect the information from a total population for even a small scale survey: if there is no need to generalise the answers beyond the selected group, it can be labelled as a population.

In 2018 the same survey was sent on 16 May, this time by the Communications Director of the Finnish Tax Administration and to only those 25 countries that responded in 2017 in order to make valid yearly comparisons. A reminder was sent on 4 June 2018, and the survey was closed on 15 June 2018. Only 17 countries responded in 2018, making the response rate 68 percent. This was 31 percent from the total amount of FTA member countries, 14 percentage points less than 2017.

As noted earlier, the 2018 survey consisted of the same questions as in 2017 with a minor addition of question number 14 (the perceived importance of communications regarding tax compliance, see Appendix 1, page 6). This question was added in order to through a straightforward question further deepen the understanding about tax administrations' stance on the perceived role of communications on tax compliance. The added question was not taken into account in the yearly comparison but served as additional information for the analysis.

One additional dataset was included in the analysis of the survey results: OECD's freely accessible online OECD Tax Database (OECD 2017b). OECD's database provides comparative information on a range of tax statistics that are levied in the 55 OECD member countries: corporate tax revenues, personal income taxes, non-tax compulsory payments, taxes on capital and on consumption. Some of this data was utilised as background information during the analysis of the survey results as it enabled a comparison between the communications department's budget and workforce with the general budget and workforce. There was a downside with this though, as the most recent data in the OECD Tax Database was from 2015.

The additional dataset from OECD also made it possible to utilise the framework for the analysis of government communication by Canel and Sanders (2012, 14). The framework consists of two main elements, structure and process. The first one includes formal rules such as organisational charts and policies and guidance, financial resources, and skills, knowledge and values. The second one consists of information gathering and analysis, information dissemination and information evaluation.

As the data about communication departments' budget in the administration's local currency was from three different years, currency rates from each year with EUR were checked in the analysis phase on 17 June 2018 from Xe.com (2018), which provides current and historical currency rate data.

3.4 Data analysis

The analysis of the data begun with a descriptive analysis, since it was important to gain a general view of the data and the distributions of the variables before more complicated modeling (Poutanen 2014, 16). Frequency tables and figures were formed and a relationship analysis was carried out after the descriptive level analysis, which showed the relationships between the variables: first bivariate, and when appropriate, jointly (Punch 2003, 45). According to Punch (2003), it is possible to summarise and distill the data to reach substantive conclusions and finally provide answers to the research questions. The framework of the research questions was important to bear in mind at this phase.

Further relationship analysis included certain appropriate techniques depending on the variables – whether the variables were continuous or categorical, and of how many categories. Pearson correlation was used for continuous variables and Spearman's rho for categorical variables. Computed variables were formed when appropriate, which provided an opportunity to gather information from many variables measuring the same perception and form a more holistic view about the subjects of the study. In certain cases a crosstabulation was formed between the computed variables.

In short, the analysis was executed by following Punch's (2003, 64-65) list of different analysis techniques as following: A product-moment correlation was used if both variables were continuous. Point biserial correlation or t tests for the differences between group means was relevant for a situation where one variable is continuous and the other categorical and dichotomous. Contingency tables were appropriate when both variables were categorical. When investigating joint relationships between the variables, the technique depended on the phrasing of the research questions.

3.5 Validity and ethics

There were several limitations to this study. Firstly, as the response rate was fairly low, generalizations concerning every communication department in FTA countries' tax administrations should not be made. Secondly, as the response rate decreased from 2017 to 2018, yearly comparisons should also be made with caution. Moreover, even though the survey was sent to the same recipients on both years, the survey could have been filled in by different people. This could have affected especially the questions concerning attitudes towards transparency or perceived importance of different strategic objectives.

Thirdly, the use of statistical analysis such as factor analysis or correlation analysis was limited due to the low number of respondents. In retrospect, more detailed analysis could have been carried out through qualitative methods such as interviews. With regards to the assignment, however, an overall descriptive picture about the state of tax administrations' communications in FTA member countries was constructed.

When it comes to the reliability of the study, it can be viewed as reliable in a descriptive sense, as the answers provided by tax officials can be regarded as official statements. The reliability of the analysis, however, is questionable and prone to critique. The whole population and amount of respondents was low for statistical purposes, which makes the significance levels of correlations between variables very low as well, especially due to the large variance within individual respondents' answers. It seemed that sometimes the respondents were not very consistent with the answers provided. One might suggest that the design of the questionnaire was somewhat skewed.

With regards to the ethics of this study, there were no issues which could have had a negative impact on it. The topic of the study was very broad and did not concern individuals, and also the survey questionnaire was targeted towards organisations. The data was anonymised before analysis in order to minimise the possible risks of bias when interpreting the results.

According to Kuula (2006), all academic research should be voluntary, and should provide the possibility of anonymous participation. Hence, even though the survey included a question about the respondent's country, this information was separated from the survey data and was not given to anyone outside. Privacy was fully respected. It was, however, important for the researcher to know the respondent countries both for verification and for linking background data with the survey data in the beginning of the analysis phase.

4 ANALYSIS

In this chapter, the analysis of the data is presented by the three dimensions of the model of transparent communication in tax administrations: organisational factors, strategic objectives and communicational practices. The research questions were in a central role in the analysis phase. They implicated what data is needed and what should be done with the data in a logical rather than methodological basis (Punch 2003, 44).

4.1 Organisational factors

The survey questionnaire consisted of four questions about the organisational background of tax administrations' communications departments (see Appendix 1, page 2, questions 1–4). Additional data from FTA's TAS database was taken into account in order to compare communication departments with the organisations they are part of.

4.1.1 Perceived successfulness of communication and Information Access Law

All countries can be said to perceive their communication quite successful, although there was a slight rise in self critique from 2017 to 2018 (see Figure 4). In a scale from 1 (Not successful at all) to 7 (Very successful) in 2017 the answers varied from 5 to 7, average was 5,5 whereas median was 5. In 2018, the answers varied from 3 to 6, average was 5,2 whereas median was 6. This was despite the fact that different countries' responses to other questions had a lot of variance within both years, such as budget, allocated FTEs, the number of communication channels used and strategic objectives.

There might be several reasons behind this, such as emergence and implementation of new communication channels and tools or growing importance and status of communications in organisations. One reason could be that there has been no previous data on which to compare the communication functions within the FTA member countries. Also, the respondents might have compared their successfulness with the organisation itself (other units or functions), with neighboring countries' tax administrations or with other public administrations within their own country.

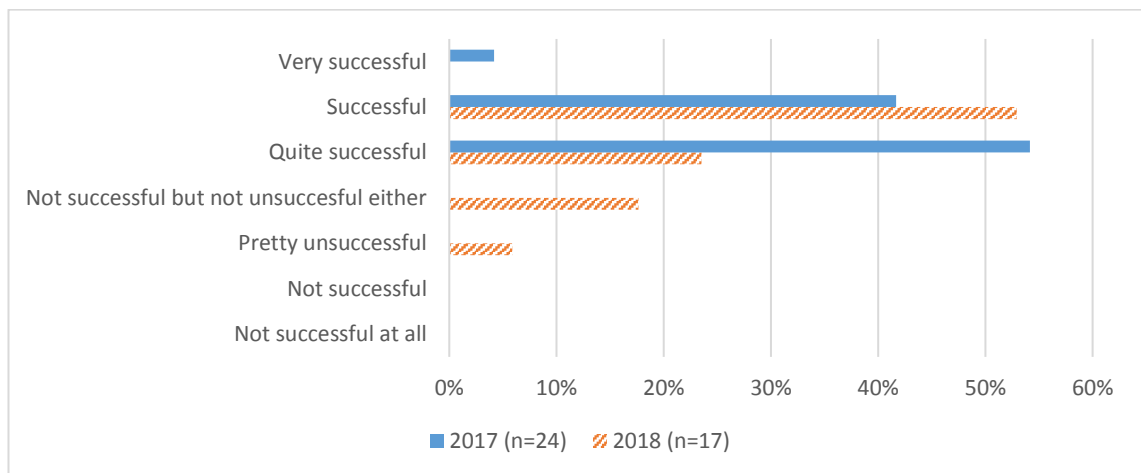


Figure 4: Perceived success of tax administration's communication

In 2017, three countries did not know if there was an Information Access Law adopted in their country or not, but in 2018 everyone was confident there was one. One country that was uncertain did not answer the questionnaire in 2018, but the other two countries confirmed.

4.1.2 Budget

According to FTA TAS data, tax administrations total budget varied approximately between EUR 25,5 million and EUR 4,6 billion, and on average the total budget was approximately EUR 940 million. The total amount of yearly FTE's varied approximately between 900 and 65 000 within countries that responded the survey. This means that within the respondents, the largest administration is over 70 times larger than the smallest. One could easily think that this something that has impact on other factors of the model of transparent communication in tax administrations, such as strategy, the channels being used et cetera, but there was no significant evidence found from the data that organisational resources would strongly correlate with the strategic objectives or communicational practices.

Communications departments' budget varied approximately between EUR 3 000 and EUR 16 million in 2017, and EUR 60 000 and EUR 13 million in 2018. On average, the budget allocated to communication departments or equivalents was EUR 2,5 million in 2017 and EUR 3,2 million in 2018. However, the variance between 2017 and 2018 is most probably caused by the decreased response rate in 2018, and therefore any further conclusions should not be made from it.

More useful indications are provided by the communication departments' share of the total budget, at least on a general level. As it can be seen from Table 1, communication departments were allocated approximately 0,4 % to 0,5 % of tax administration's total budget, and little bit less than 2 % of tax administration's budget for support functions.

In order to enhance trust with increased transparency, tax administrations' communications departments should have enough money and people. Acting in a more transparent way can be costly, and it also requires more time or people. (Fairbanks' 2007.) According to a Gartner (2016) research study, private sector companies allocate roughly 12 % of company revenues to marketing and communications, and personnel used to conduct marketing, and communications is around 3 % of the total workforce in global scale. Although it seems that tax administrations run short from this perspective, it must be remembered that government organisations benefit from being sole operators in the arena. They can possibly operate with smaller budgets and with less personnel compared to private industries. Therefore, tax administrations' communications can be seen as cost efficient.

	2017 (n=20)		2018 (n=14)	
	Total budget	Support budget	Total budget	Support budget
Min	0,00002 %	0,00004 %	0,007 %	0,06 %
Max	3,50 %	14,32 %	2,10 %	8,59 %
Avg.	0,41 %	1,86 %	0,47 %	1,95 %

Table 1: Share of communication departments' budget from the total yearly budget of tax administrations in percentages

4.1.3 Workforce

Within the countries that responded the survey, tax administrations' total workforce was on average 17 000 FTE's whereas communication departments had on average 16 FTE's in 2017 (min 2, max 180) and 29 FTE's in 2018 (min 4, max 311), so there is an indication of increase in workforce. But then again, this can be caused by the decrease of response rate in 2018. Overall, when comparing the share of communication departments' budget and FTE's with the total budgets and FTE's of respondents in percentages, they seem to be within the same size range (see Table 2).

2017 (n=21)			2018 (n=14)	
	Total FTE's	Support FTE's	Total FTE's	Support FTE's
Min	0,02 %	0,11 %	0,02 %	0,11 %
Max	1,35 %	5,49 %	1,46 %	4,86 %
Avg.	0,36 %	2,01 %	0,42 %	2,06 %

Table 2: Share of communication departments' FTE's from the total yearly FTE's of tax administrations in percentages

As we can see from the tables above, there is a lot of variance in communication departments' share of budget and FTE's within the countries. Despite this, there was no correlation to be found with budget and the amount of service channels (2017: Pearson Correlation 0,439 sig. 0,069; 2018: Pearson Correlation 0,497 sig. 0,100), marketing communication tools (2017: Pearson Correlation 0,248 sig. 0,321; 2018: Pearson Correlation 0,244 sig. 0,445) or in the amount of social media channels (2017: Pearson Correlation 0,212 sig. 0,399; 2018: Pearson Correlation -0,076 sig. 0,814) tax administrations used.

However, there was a slight correlation to be found with communication departments' share of budget and the usage of different media content types in 2017. (Pearson Correlation 0,498 sig. 0,035). The bigger the share of budget was, the more diverse content tax administrations produced. In 2018 though, there was no such correlation to be found. (Pearson Correlation 0,216 sig. 0,524). Diverse content could be seen to

enhance transparency and trust (Grimmelikhuijsen 2014, 154), so in this sense budget can have a positive impact on trust through transparency.

Moreover, tax administrations had on average 15 FTE's in 2017 and 29 FTE's in 2018 engaged in communications work that were employed within business units. This number includes for example the amount of employee advocates, tax experts devoted in communication and media spokespersons. The amount of these "extra" FTE's varied between zero and 70 (std. deviation: 21,8) in 2017 and between zero and 150 (std. deviation: 51,6) in 2018. These FTE's that are located in business units can for example improve the openness and collaboration with stakeholders and tax payers through social media (Criado 2013, 320), and they should be instructed to do so. But this was not perceived as important, as we can see later in chapter 4.2.4.

To sum up, organisational factors such as allocation of staff, money and time have impact on the level of transparency. In order to enhance trust with increased transparency, tax administrations need to have enough financial resources and human resources. When comparing the perceived successfulness, budget and FTE's together, it seems that tax administrations think that they have the required resources for acting in a transparent way, but may not have them in reality.

4.2 Strategy

There were altogether seven questions related to tax administrations' strategy in the survey questionnaire in 2017 and eight in 2018. (See Appendix 1, pages 3-7, questions 8-10, 13-19 and 21). The questions were embedded in four sub-sections: Engagement, Monitoring and analytics, Strategic objectives and Transparency.

4.2.1 Engagement

Trust-based power can be enhanced with tax payers' engagement, which is also a fundamental idea of the new online environment that has made traditional push-centered organisational communication ineffective (Taiminen et al. 2015). As illustrated in

Figure 5, online communication and social media were perceived to be the most important methods in addressing stakeholders, gatekeepers and tax payers in 2017 and 2018. In 2017, the third most important method was perceived to be press and media relations with TV and radio, but in 2018 face-to-face communication had passed it.

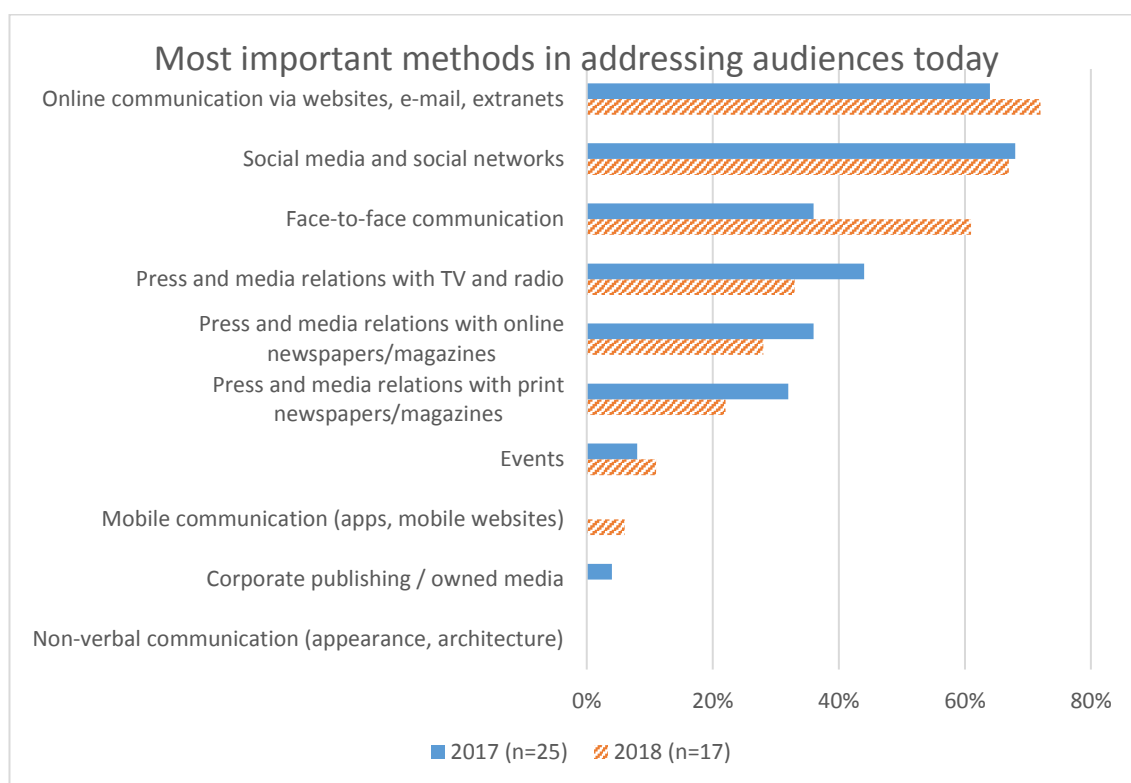


Figure 5: The most important methods in addressing stakeholders, gatekeepers and tax payers today as perceived by respondents. Each country could select three methods.

From an engagement point of view, it was surprising how mobile communication was not perceived to be important at all. It could be beneficial for tax administrations to perceive mobile communication as more important in order to develop the level of engagement with citizens. As Hong (2013, 346) points out, it is the actual experiences with service channels that play a major role in increasing trust. Tax administrations should at least develop mobile responsive websites if not applications.

Moreover, the data provided clear evidence that building and maintaining trust was perceived to be the most important issue for public relations / communication

management within the next three years (see Figure 6). In addition, there was a rise in the perceived importance of linking strategy and communication from 2017 to 2018. Over half of the countries stated that within the next three years it was important to deal with the demand for more transparency and active audiences while dealing with the demand for efficiency and less bureaucracy had lost some of its importance in 2018. Luoma-aho's and Peltola's (2006) statement that public organisations' transparency in both their internal and external relations is becoming a key factor is perhaps beginning to realise also for tax administrations when surviving in the communication society.

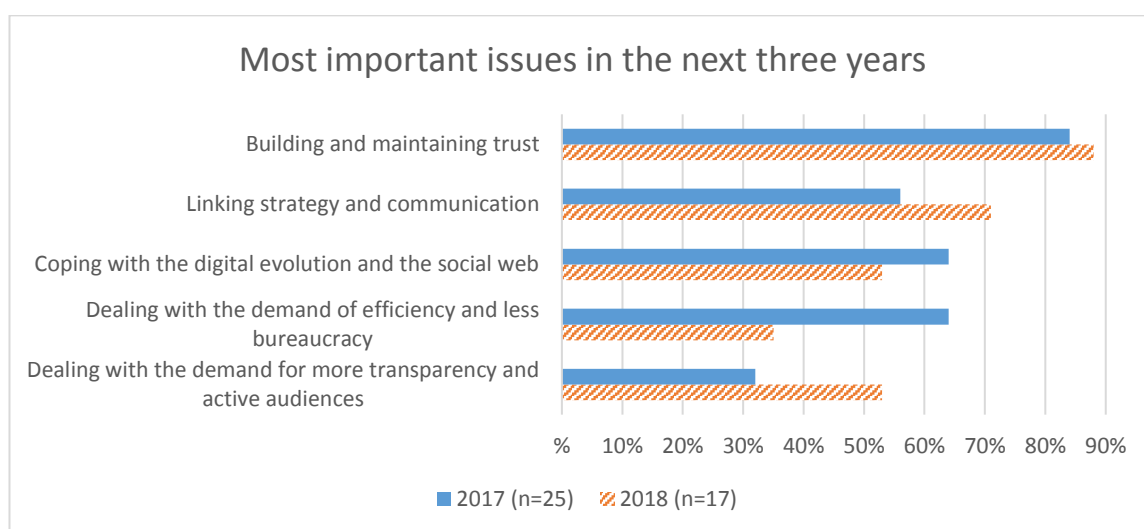


Figure 6: Issues believed to be most important for public relations / communication management within the next three years. Each country could select three issues.

When mirroring these results with Rousseau's (1998, 399) four different forms of trust, two of them seem appropriate: relational trust and institution-based trust. Repeated interactions between the trustor and trustee enhance the relational trust, and the risen strategic importance of dealing with the demand for more transparency and active audiences can be seen as efforts to increase relational trust. Institution-based trust derives from institutional factors such as legal forms, social networks and societal norms, for what building and maintaining trust as being the most important issue can be seen to foster.

As illustrated in Figure 7, communicating actively with the organisation, or providing feedback was perceived to be the most common way in which tax payers show engagement. This could have been interpreted as the use of service channels or as the tax payers' way of utilizing the dialogic nature of social media services. Participating in decision making was not perceived to be a way of showing engagement, which is in contrast with the notions of Casal (2016, 142). However, this could be caused by the explanatory section of the question in that particular option, which somewhat delimits participation as being part of an advisory committee or board.

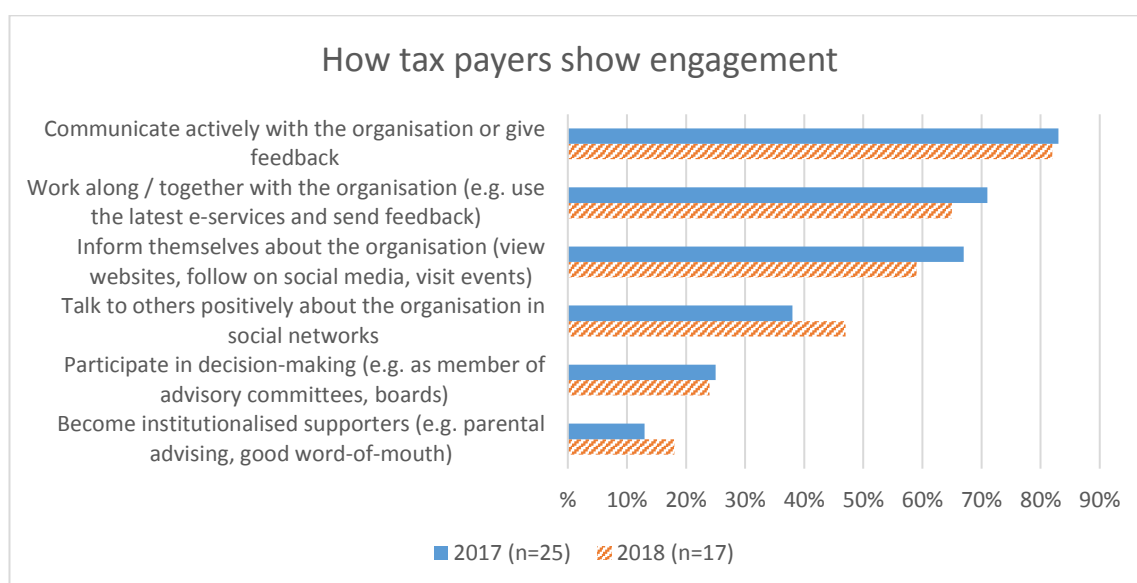


Figure 7: How tax payers show engagement. Each country could select three issues.

4.2.2 Segmentation

Almost every country had developed strategic communication programmes or PR campaigns which target different audience segments with different media (see Figure 8). As Grimmelikhuijsen (2014, 154) proposes, government organisations need to have a diversified strategy in terms of information dissemination, and offer detailed information for information savvy citizens as well as simplified, attention drawing information for citizens with less prior knowledge or interest. Furthermore, they need to

take into account many different groups of stakeholders such as minority groups, service users, politicians and regulatory bodies (Sanders & Canel 2013, 3).

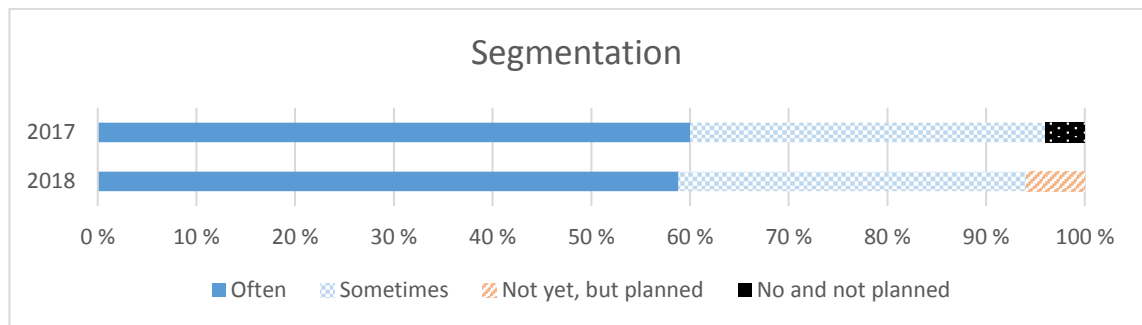


Figure 8: Frequency of developing strategic communication programmes or PR campaigns which target different audience segments with different media.

According to the data, tax administrations have both the ability and the strategic desire to target specific groups with different approaches, and hence have the potential to strengthen tax payers' trust and again enhance tax compliance. It should be kept in mind that multi-channelled communication itself is not necessarily segmentation; also the content must be tailored according to the target audience. This was, however, taken into account as well, since almost every tax administration thought that it is important to offer both detailed information on the website and easily understandable information shared in social web (see Figure 9).

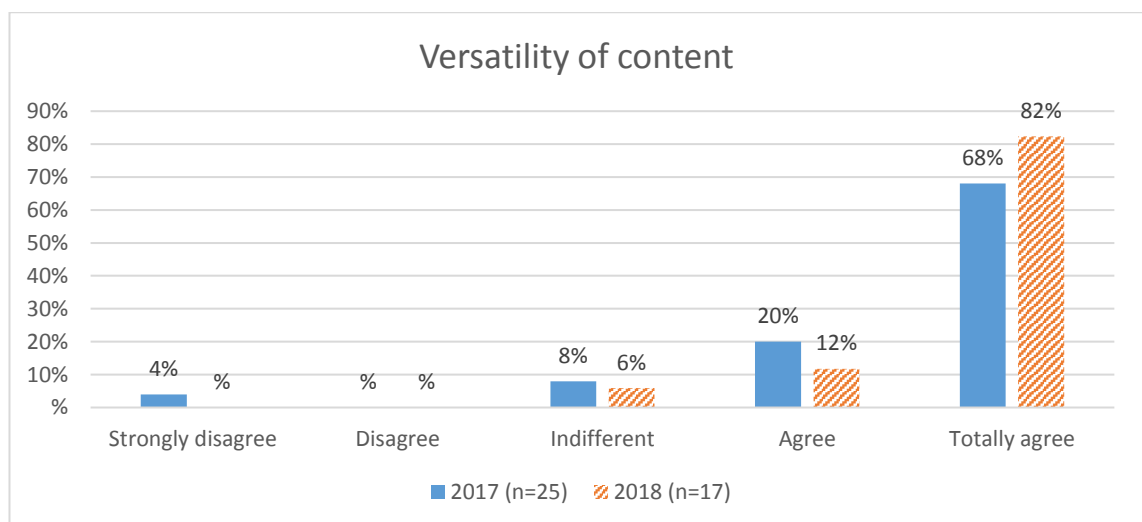


Figure 9: Answers to the claim: It is important for my organisation to offer both detailed information on the website and easily understandable information shared in social web.

4.2.4 Strategic objectives and transparency

Based on the data, there is a finding that communication departments work more closely with the “upper rank” of units and people than with other parts of the organisation (see Figure 10). The three closest ones were the highest ranking executive, other members of the executive board and the strategy and organisational development unit. From the perspective of transparent communication, this can be seen as beneficial. Firstly, if (and when) communication is tied closely to the organisational development and strategy, there is a greater probability for communication to have an impact on them. Secondly, by working closely with the general manager and executive board it is perhaps easier to strive for a better public perception both internally and externally, which can be seen as an important part of efficient tax collection process (Calugareanu 2015, 326).

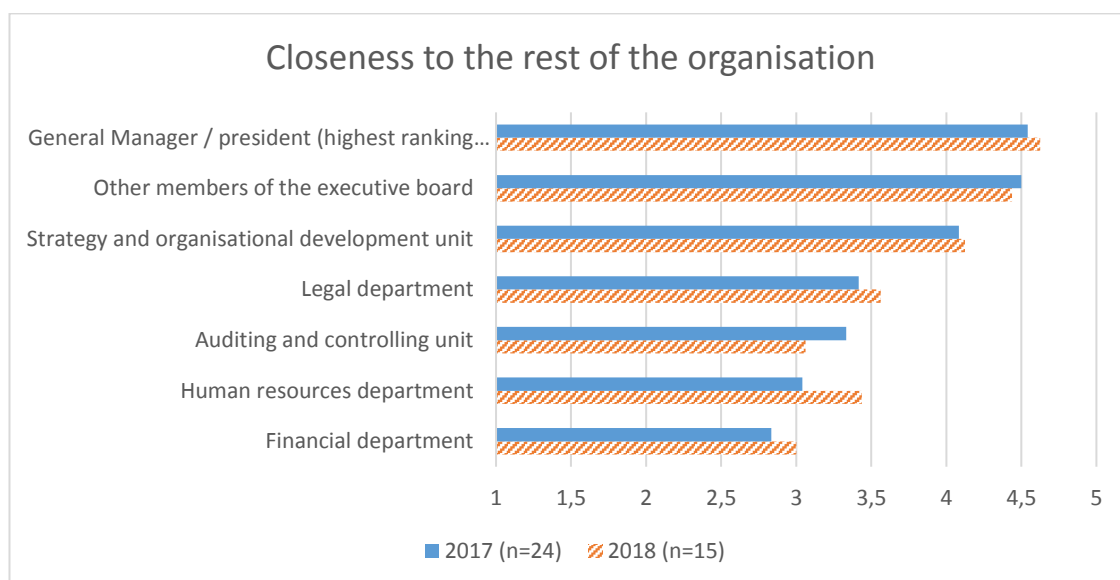


Figure 10: Communication department's closeness to the rest of the organisation. Mean values from scale of (1) Never works closely to (5) Always works closely.

As Fairbanks's (2007) notes, managers and administrators can have an impact on transparency. If communications would work closely with the managers of other units, goals and activities striving towards transparency could perhaps trickle down to the employees of other units as well. It should, however, be noted that tax administrations as organisations differ between countries. However, in the FTA's TAS database there

was a similar division between different units. The more closely communication works with other units, the more beneficial this can be seen as from the perspective of transparency.

When summing up the variables from questions related to communications departments' overall supportiveness towards other employees, there was a clear indication of a good level of support (see Figure 11). Moreover, the share of *Very supportive* communication departments had a significant increase from 2017 to 2018.

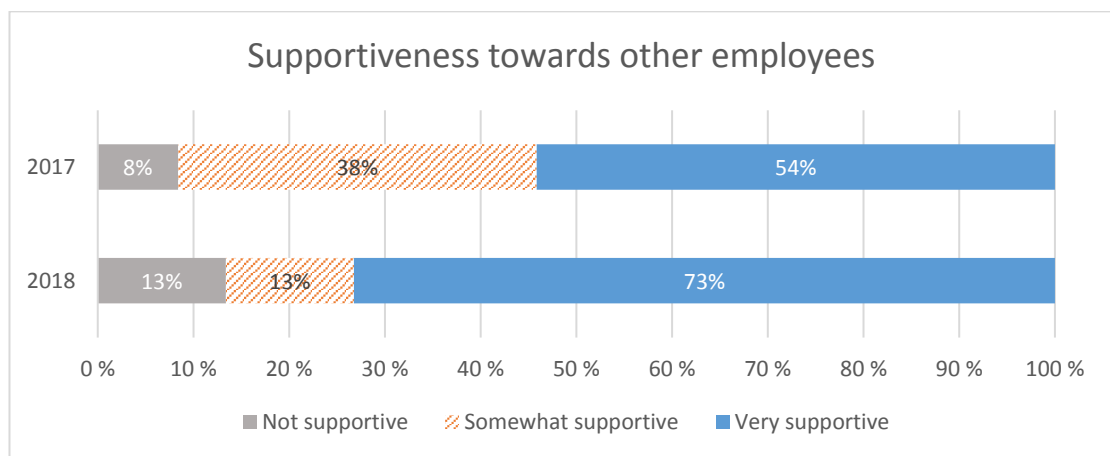


Figure 11: Computed variables from communications departments overall supportiveness towards other employees.

Advising and supporting in communications-related issues was generally seen as more important than enabling employees to master communicative challenges on their own (see Figure 12). Top executives were prioritised over other staff members. It was surprising that communication departments are not that keen on developing the communicative capacities of employees by enabling them to master communicative challenges on their own, but rather rely on a supporting or advising role. As Tria (2012) mentions, one of public sector key topics today is boosting the motivation of public servants and improving leadership.

By nurturing the overall communication abilities of the organisation, it could be possible for communication departments to ease their workload in the long run and

allocate the saved resources on the development of communications. However, according to the data, this was not seen important strategy-wise.

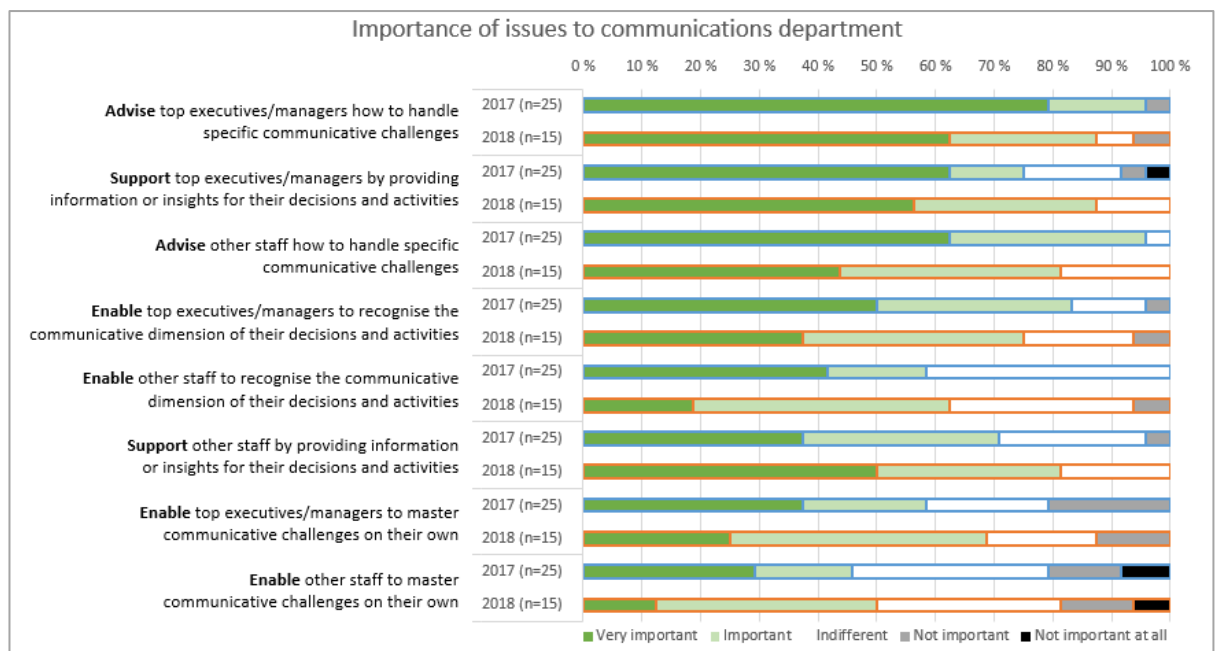


Figure 12: The importance of issues related to advising, supporting or enabling staff in communications.

Social media was seen as a disruptive trend (see Figure 13). In addition, all of the tax administrations thought that it is important for their organisation to utilise new ways of communicating, such as social media. However, organisations had not really developed adequate strategies and instruments to communicate with new gatekeepers on the social web, although there was a positive increase from 2017 to 2018.

According to Sanders and Canel (2013, 7–8) the scope of government communication should include activities of reputation and issues management and relationship building. From this perspective, there is a missed opportunity for many organisations in not seeing employees as relevant gatekeepers.

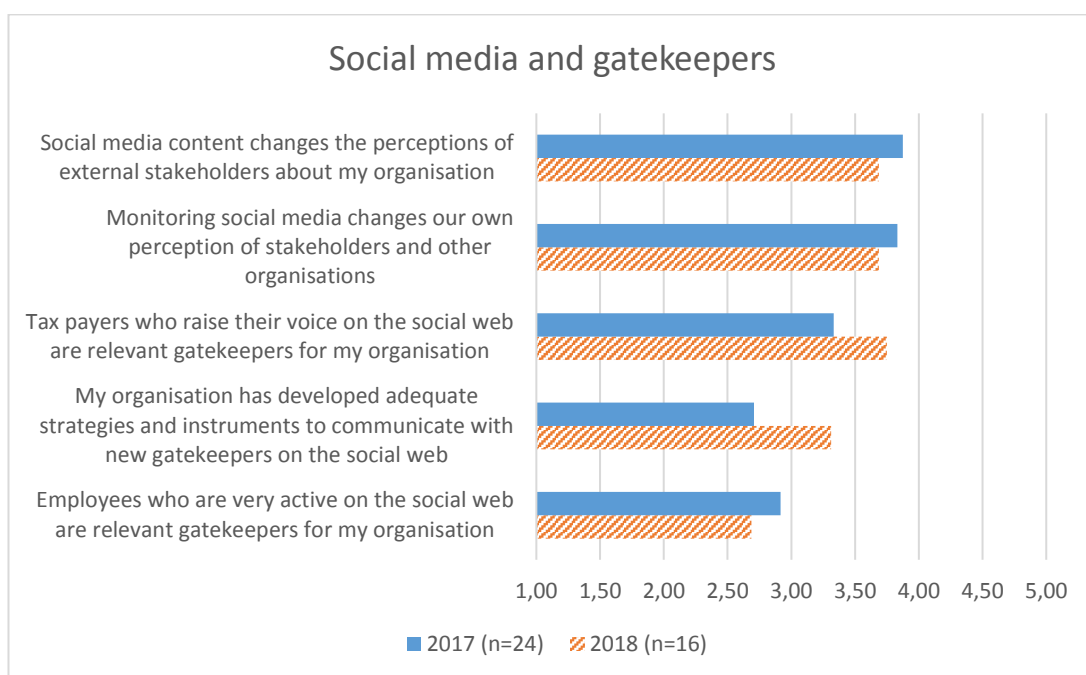


Figure 13: How tax administrations perceive the impact of social networks and gatekeepers, mean values on a scale of (1) Strongly disagrees to (5) Strongly agrees.

The majority of tax administrations thought that it is important to show tax payers and stakeholders how tax money is spent. As Becker et al. (1987) points out, tax non-compliant behavior appears to depend also on public expenditures, so this could be seen as a good way to convince tax payers that their financial input is put to good use. Furthermore, this could be also seen as beneficial in terms of social norms if and when it would concretise the initial function of tax administrations. As Calugareanu (2015), Popescu (2007) and OECD (2017c) have noted, social norms play an important role in enhancing tax compliance.

As Heald and Hood (2006) have stated, the concept of transparency can also be divided into horizontal and vertical transparency. Moreover, horizontal transparency consists of outward and inward transparency, from which inward transparency means that the outsiders can observe what is happening inside the organisation. Figure 14 illustrates that tax administrations viewed inward transparency as important, although it had lost some of its importance from 2017 to 2018.

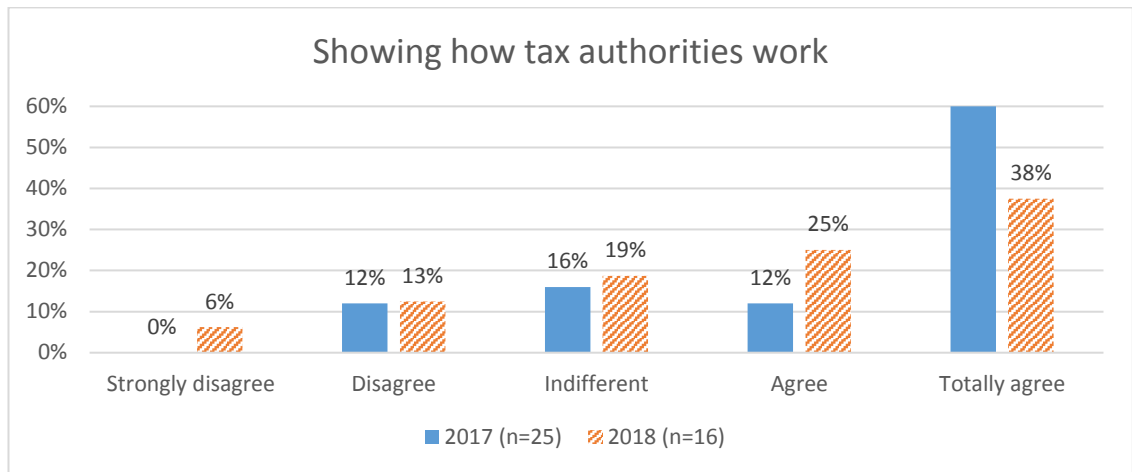


Figure 14: Answers to a claim: It is important to show tax payers and stakeholders how tax authorities work.

Illustrated in Figure 15, tax administrations perceived international communication as slightly more important within the next three years than it was at the moment, but were not so sure if they had solid structures and strategies for it. In 2018, those tax administrations which saw themselves as having solid structures and strategies for international communication tended to use more marketing communicational tools [Spearman's rho 0,540 sig. 0,38, correlation is significant at the 0.05 level (2-tailed)]. Hence, internationality can be seen as emerging trend for tax administrations' communications strategy.

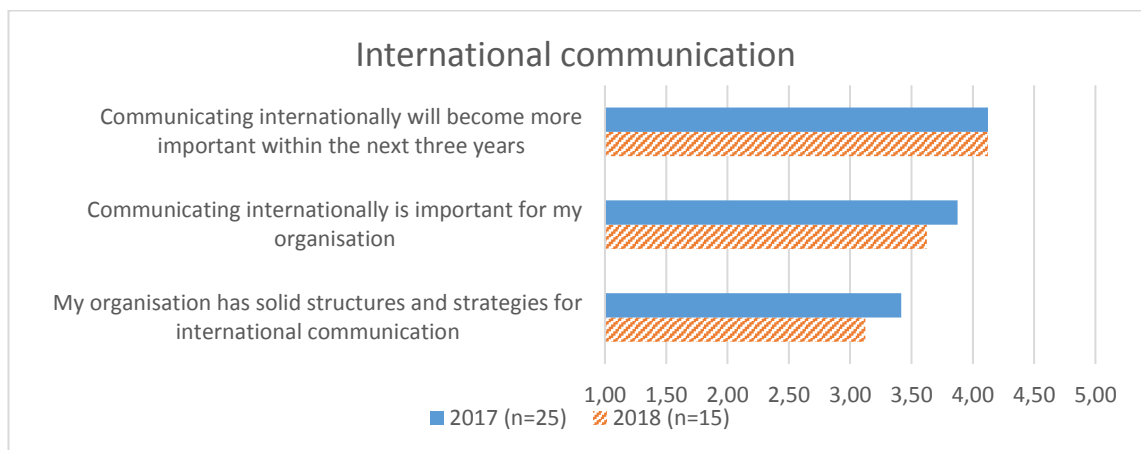


Figure 15: Perceived importance of international communication. Mean values from scale of (1) Strongly disagree to (5) Totally agree.

Tax administrations were unanimous that open and transparent communication is important for their organisation and that tax payers demand more transparency in communication compared to three years ago. However, there was no conclusions to be drawn as to whether all of tax authorities' communication needs to be official and authoritative or not (see Figure 16). There was a lot of variance within the answers, which implies that transparency is a much debated concept. The answers split evenly between "Strongly disagree" and "Totally agree", and there was no correlation to be found with for example the amount of social media channels [Spearman's rho -0,171 sig. 0,413 (2-tailed)], different media content [Spearman's rho 0,188 sig. 0,071 (2-tailed)], and amount of marketing communicational tools [Spearman's rho 0,247 sig. 0,235 (2-tailed)]. One might conclude that there are differences in understanding what open and transparent communication means.

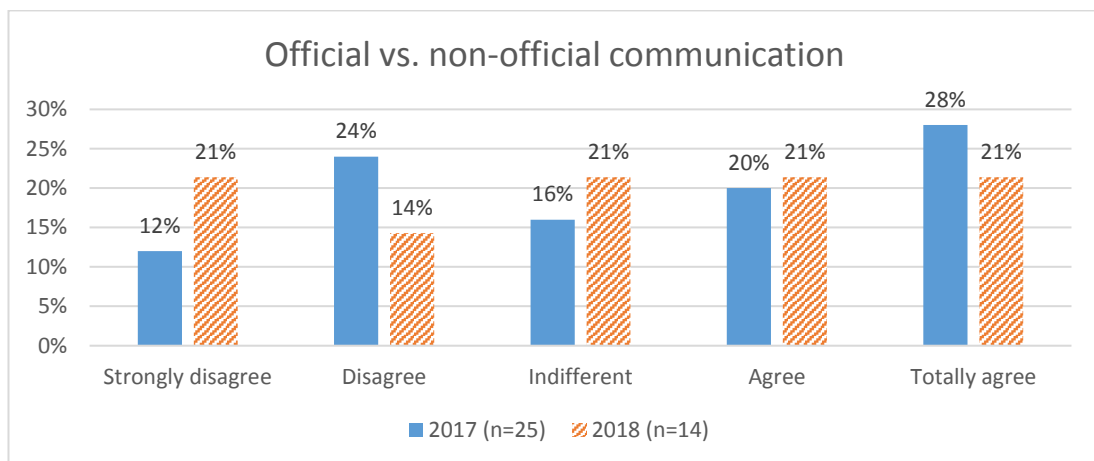


Figure 16: Answers to a claim: As tax authorities, all of our communication needs to be official and authoritative.

However, in 2017 there was a positive correlation with agreeing that all of a tax administration's communication should be official and authoritative (see Figure 16) and agreeing that only positive aspects of tax administrations should be communicated in order to enhance tax compliance (see Figure 17) [Spearman's rho 0,509 sig. 0,009. Correlation is significant at the 0.01 level (2-tailed)].

This would indicate that open and transparent communication is regarded as non-official and negative to some degree, at least by those countries who saw open and transparent communication as a risk. On the flipside, the countries that did not see it as a risk might feel that being open and transparent does not necessarily mean that one would lose authority. It must be remembered, however, that the data sample is very small and the above should be interpreted with caution.

When asking about whether only positive aspects of tax administration should be communicated in order to enhance tax compliance, there were distinctive differences in the answers between 2017 and 2018 (see figure 17). Approximately over one third of the tax administrations agreed with the claim in 2017, but all of the respondents disagreed with it or thought of it as indifferent in 2018. This would indicate that the understanding of openness and transparency as well as attitudes towards effective transparency (see Heald & Hood 2006, 28–29) have moved in a positive direction.

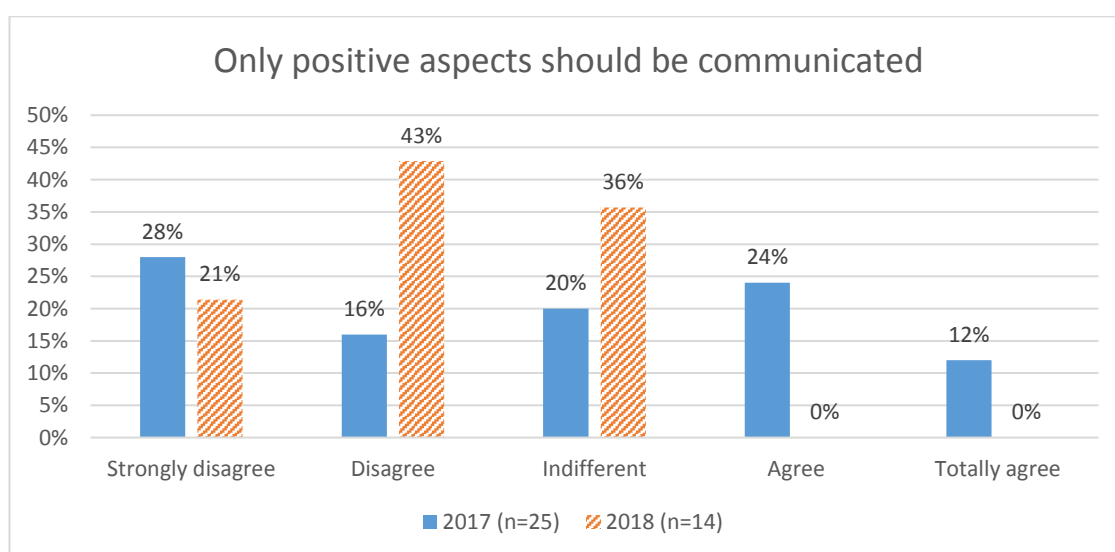


Figure 17: In order to enhance tax compliance, only positive aspects of tax administration should be communicated.

Illustrated in Figure 18, as much as one third of the countries perceived open and transparent communication as a risk to their organisation in 2017, but still the majority did not think of it as a risk. In fact, most countries strongly disagreed with the claim. In

2018 the amount of *Indifferent* answers rose to over one third, which could partly explain the change in attitudes between the years. Still it could be interpreted from the data that tax administrations' attitudes towards transparency have moved in a positive direction already within one year.

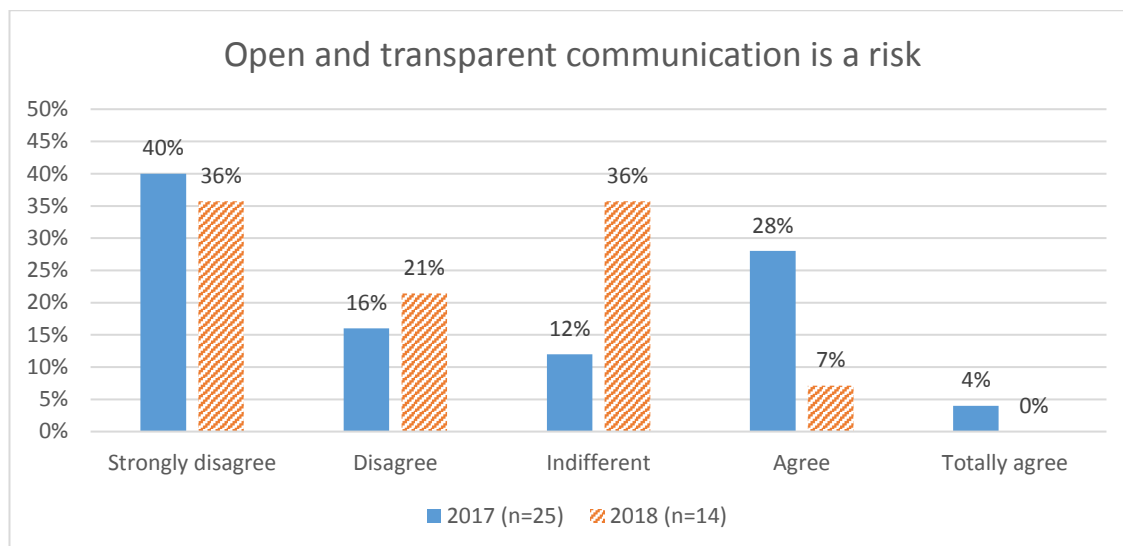


Figure 18: Answers to a claim: *Open and transparent communication can be seen as a risk to our organisation.*

It is unfortunate that the data did not include quantitative information about the content that is considered to be transparent communication. However, communicating only positive sides about tax administrations could be considered to be nominal transparency, and hence some tax administrations might suffer from “transparency illusion”, the gap between nominal and effective transparency. In addition, effective transparent information must also have receptors capable of processing and using it. (Heald & Hood 2006, 34.)

4.3 Communication practices

There were altogether six questions related to communication practices in the survey (see Appendix 1, pages 3, 5 and 7, questions 5-7, 11, 12 and 20). The questions were divided in survey sections of Communicational activities, Monitoring and analysis and Transparency.

4.3.1 Channels and content formats

Citing the studies by Sharoni (2012) and Welch et al. (2005), citizens' use of governmental websites for information and transactional services increases their trust towards government. Overall, there was a slight decline in the amount of different marketing communicational tools tax administrations' use from 2017 to 2018. On average tax administrations used 6,24 tools in 2017 and 6,00 tools in 2018.

Press releases, social media marketing and online advertisement seem to be the most common marketing communication tools utilised within the respondents (see Figure 19). It seems that legacy media outlets such as radio, TV and newspaper advertisement still hold their place in addressing customers and stakeholders as over half of the countries use them as. In fact, there is even an increase in the use of radio and newspaper advertisement in 2018. Together with the use of new media it implies that organisations are leaned towards multi-channelled communications, although corporate publishing / owned media is considered less important. Moreover, open answers to the section *Other* included websites or portals, sponsored news, podcasts, webinars, outdoor marketing / billboards and bloggers and vloggers, which refer to influencer marketing.

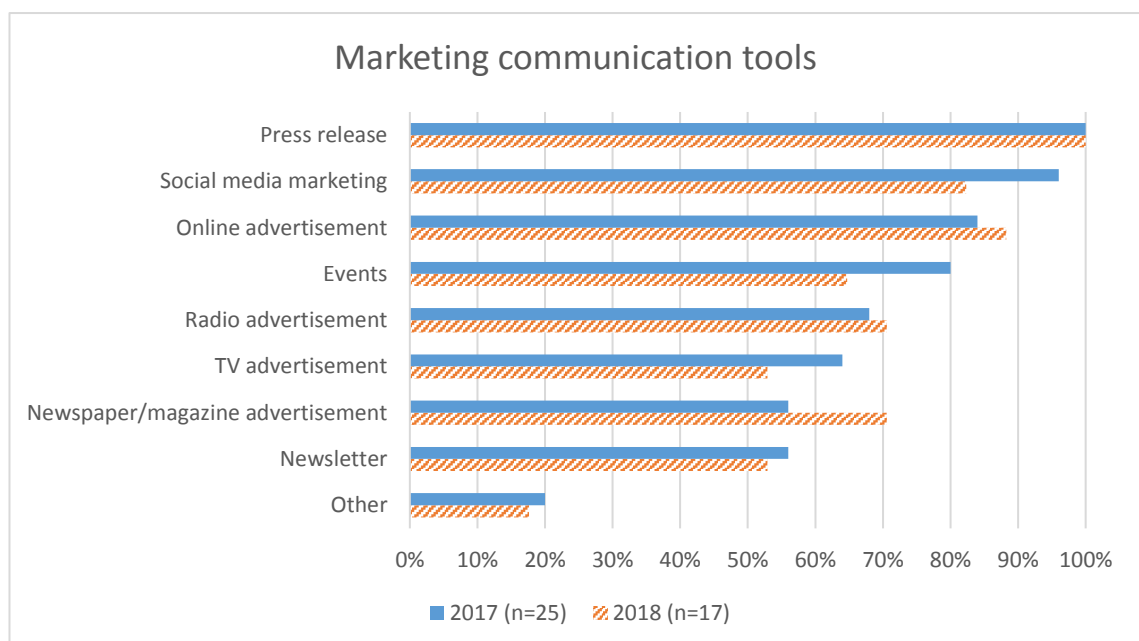


Figure 19: Usage of different marketing communication tools.

On average, there was a slight decrease on the amount of different service channels used for communicating with tax payers, from 7,92 channels in 2017 to 7,65 channels in 2018 (see Figure 20). An interesting finding concerning the service channels between 2017 and 2018 is the decline of phone customer service as a way to *actively* communicate with tax payers. Two tax administrations had “replaced” their phone service with chat service whereas another two had added chat in their roster of service channels. Moreover, three countries had started to offer service via e-mail and one country ceased both phone and chat service while continuing to use e-mail.

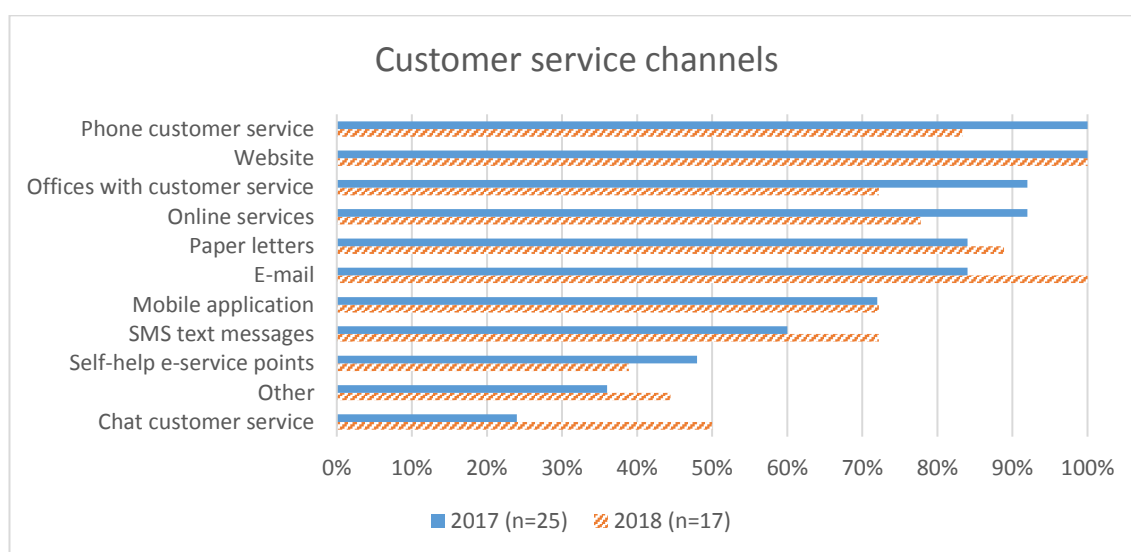


Figure 20: Usage of different customer service channels for active communication with tax payers.

Of course some of the yearly variation depends on the declined response rate, but this is still an interesting finding in the light of engagement. In terms of dialogue, phone service can be somewhat associated with face-to-face communication, which was regarded with increased importance for engaging tax payers from 2017 to 2018. Nevertheless, three tax administrations did not use phone service for active communication with tax payers, which implicates that this kind of strategic choice might be built more on budgeting and scarce resources than communication or engagement goals. However, all of these three countries had an increase in the amount of social media services, which makes a negative correlation between phone service and

the amount of social media channels [Pearson correlation -0,606 sig. 0,1. Correlation is significant at the 0.01 level (2-tailed)]. The less organisations used phone service in 2018, the more social media channels they utilised.

Surprisingly, there was also a decline in online services and self-help e-service points but an increase in paper letters. The decrease in offices with customer service could be explained with the digitalisation and usage of new technologies to serve tax payers, but there was no such rise in digital service channels. This indicates that the yearly variation is caused by the lower response rate in 2018.

Active use of SMS text messages and mobile applications in communicating with tax payers implies that mobile revolution has realised within some regards in tax administrations. But even though over 70 % of the organisations has a mobile app that they actively use for communicating with tax payers, only one tax administration considered it to be one of the three most important methods in addressing stakeholders, gatekeepers and tax payers in 2018, while no-one considered that in 2017 (see Figure 5). This implies that mobile apps are somewhat an “add-on” feature in the communications’ toolbox.

As several studies (Sharoni, 2012; Welch et al., 2005) have found, citizens’ use of governmental websites for information and transactional services increases the trust towards government. With regards to the findings above, most tax administrations have the necessary requirements for increasing trust through service and information channels.

Videos and photos were the most produced media content among tax administrations followed by statistics and reports (see Figure 21). The prevalence of videos and photos as an actively used media format was somewhat unexpected regarding the non-visual nature of taxation. This strengthens the aforementioned finding that tax administrations appear to have a diversified content strategy, and that they produce both profound information and easily understandable information for different audiences. Although the

survey did not reveal what *kind* of videos or photos are in question, at least there are several types of media available for citizens.

Web conferences and live streaming in social media were also surprisingly common, and had become more common from 2017 to 2018. There lies an opportunity for tax administrations to reach new audiences by developing online audio, wikis and ephemeral content.

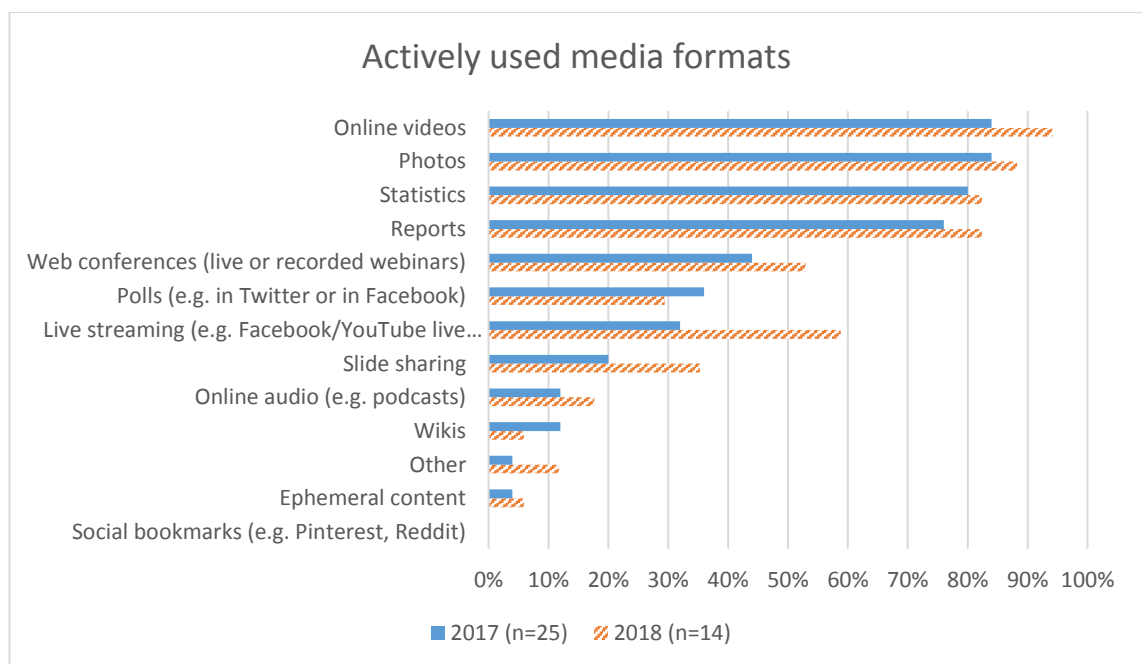


Figure 21: Usage of different types/formats of media content.

4.3.1 Monitoring and analytics

Media monitoring, website analytics, and social media analytics were commonly implemented within the organisations (see Figure 22). Tax payer dialogues and research can be seen as missing opportunities for roughly one third of the organisations, and there has been a decrease in them from 2017 to 2018. Stakeholder dialogues were commonly used and had become even more common during one year, whereas stakeholder research was utilised only by roughly half of the tax administrations. This kind of ability for outward transparency is crucial to an organisation's capacity to

understand its environment and to monitor the behavior of its competitors or peers (Heald & Hood 2006, 28–29).

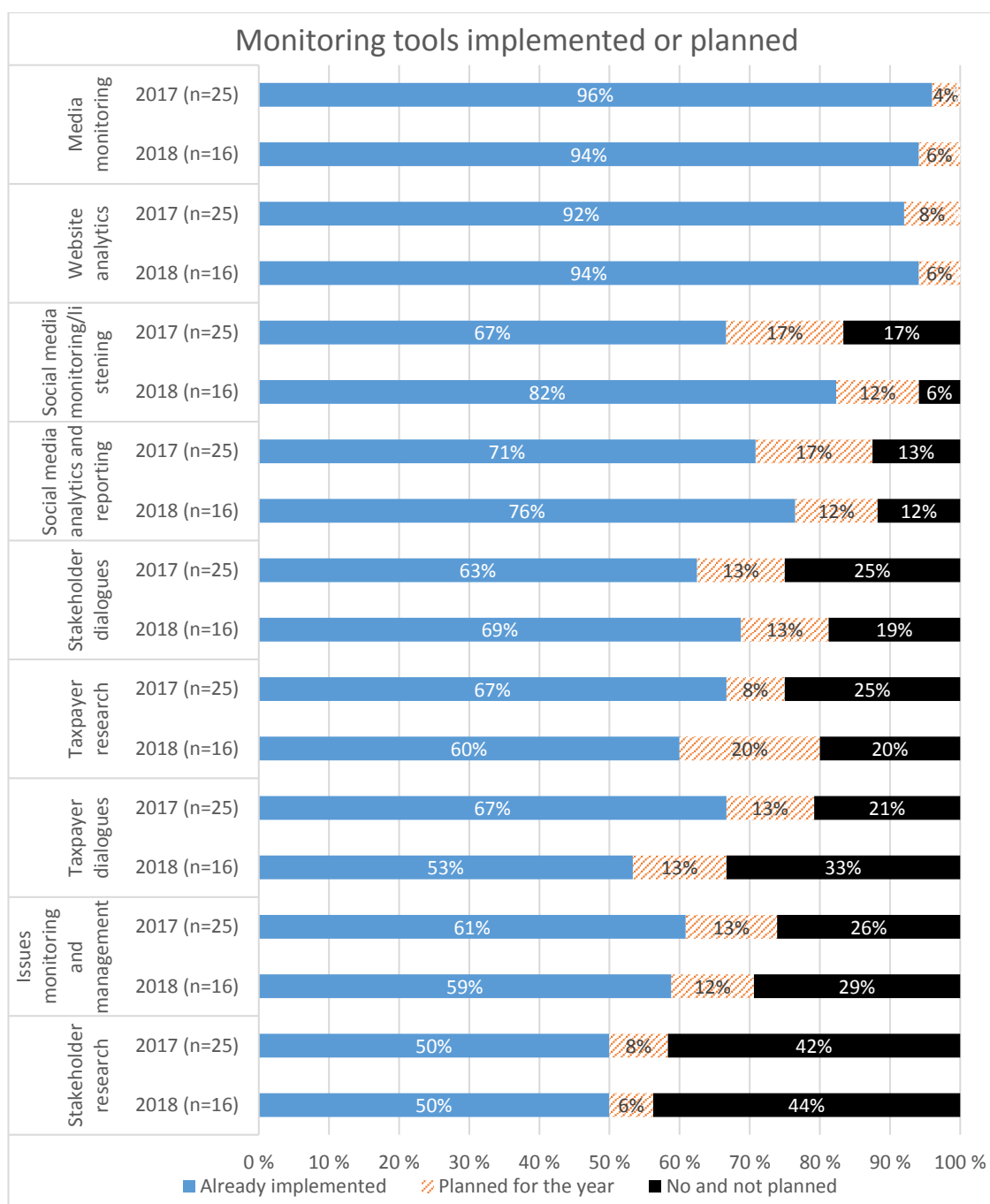


Figure 22: Monitoring and analytic tools implemented in tax administrations.

		Always or often	Sometimes	Almost never or never
Planning upcoming communication activities and topics	2017	75%	13%	13 %
	2018	63%	38%	0 %
Reflecting goals and directions of communication strategies	2017	54%	17%	29 %
	2018	50%	44%	6, %
Evaluating the success of communication activities	2017	58%	25%	17 %
	2018	63%	31%	6, %
Explaining the value of communication to top executives and internal clients	2017	62%	21%	17, %
	2018	38%	44%	19, %
Leading communication teams and steering agencies / service providers	2017	58%	13%	29 %
	2018	53%	20%	27 %

Table 3: How are insights from communication measurement used in organisations. (2017: n=24, 2018: n=16)

As shown in Table 3, the majority of respondents used monitoring and analysis for planning and evaluating communicative activities often or always. Therein lies potential in leading communication teams and steering agencies or service providers with insights from communication measurement. Also, explaining the value of communications internally had dropped during one year. It could be said that the insights from communication measurements are somewhat underutilised when reflecting with goals and directions of communication strategies: Linking from strategy to goals, from goals to monitoring and again from monitoring into insight seems to be somewhat broken.

4.3.1 Social media

The survey data confirms the shared assumption among researchers that the most used social media in public organisations are the ones with most utilization in society. (Criado 2013, 320). Facebook, YouTube, Twitter and LinkedIn were all widely used within tax administrations (see Figure 23). Moreover, it seems that tax administrations have understood Taiminen et al.'s (2015) notion that in order to enable trust, content should not only be published through organization-centric but through stakeholder-centric arenas, which social media represents. As mentioned earlier, there was a clear consensus within the tax administrations that it is important for them to utilise new ways of communicating, such as social media.

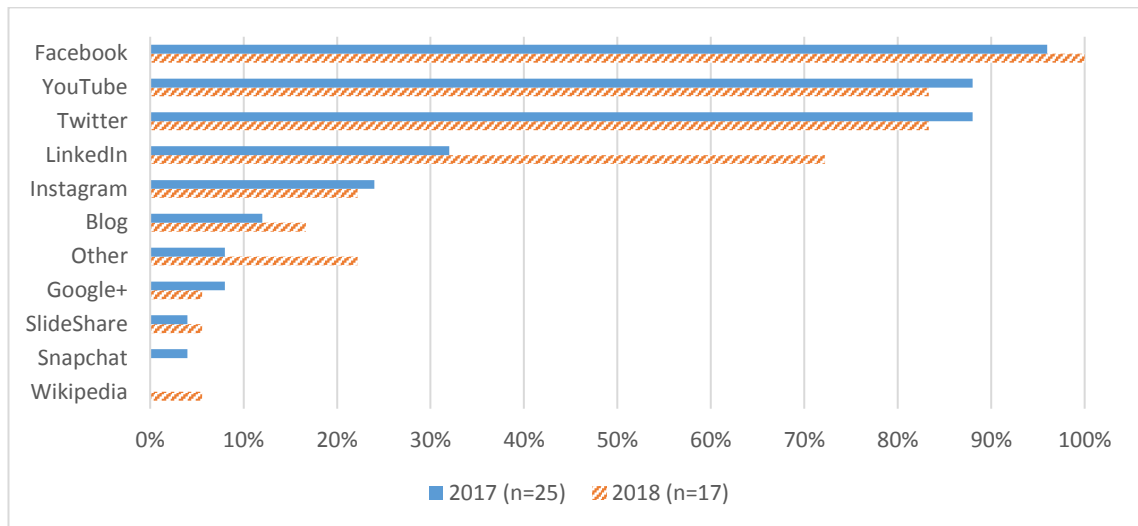


Figure 23: Usage of different social media channels.

From 2017 to 2018, there was a rise in the use of every channel except Snapchat, and a significant rise in the use of LinkedIn. In addition, countries reported usage of online forums, image and video hosting service Flickr, video sharing platform Dailymotion and national social networking sites. Especially the use of national social networking sites could be seen as beneficial, since there is less global competition content-wise and tax payers might be more closely related to them.

Considering the expert role of tax officials, it is noticeable that the use of SlideShare and blogs was not that common. As Taiminen et al (2015) mentions, content created by organizations should focus on organizational expertise. The aforementioned media platforms would be ideal for disseminating this kind of information. Maybe the rise in the use of LinkedIn had justified neglecting SlideShare and blogs.

When computing together the variables about the perceived importance of social media (see Figure 24), it was clear that the majority of tax administrations perceive social media as important. What was surprising, however, were the 15 percent that did not perceive social media as important, with regards to the finding that practically every tax administration more or less utilises social media. A question arises: if social media is not perceived as important, why use it in the first place?

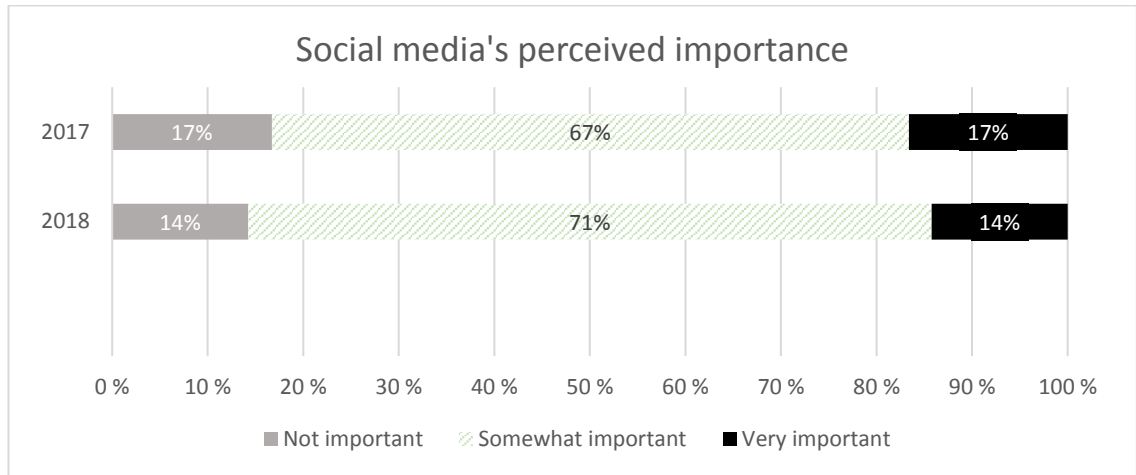


Figure 24: Computed variables from communications departments overall attitudes towards social media's importance.

Referring to Mergel's (2013) three-stage adoption process for social media in government organisations, it was not asked directly in the online questionnaire what stage the respondents think their organisation is. However, by analysing answers from different sections of the questionnaire it was possible to create factors indicating the stage. This was done in a crosstabulation between the computed variables about perceived importance of social media and the development of adequate strategies, and then counting an average from both years. This was done in order to compensate the decreased response rate as these are rough measures in the first place.

The first stage, where individual change agents within the organisation are informally experimenting with new technologies and social media services, might be in progress within the tax administration even though the organisation does not perceive social media as strategically important and has not developed adequate strategies and instruments to communicate with new gatekeepers on the social web. Roughly 13 percent of tax administrations can be labelled as being at this stage.

The second stage, where the organisation has initiated a standard-setting process in order to control the variation of social media services and technologies, can be understood to be in place if social media is considered to be somewhat important or very important, but the organisation has not yet developed adequate strategies and

instruments to communicate with new gatekeepers on the social web. Roughly 58 percent of tax administrations can be seen to be at this stage.

The third stage includes setting up norms, policies and standards for both employee accounts and organisational accounts. Tax administrations can be seen to be at this stage if social media is considered to be important or very important and the administration has developed adequate strategies and instruments to communicate with new gatekeepers on the social web. Roughly 27 percent of tax administrations can be seen to be at this stage. There was one country though which had developed adequate strategies and instruments but did not see social media as important. Still, the utilisation of social media within tax administrations is quite extensive: the majority used at least four different social media services actively in 2018, and every tax administration used at least one.

5 CONCLUSIONS AND DISCUSSION

In this chapter, the analysis and results are reflected on the model of transparent communication in tax administrations presented in the end of Chapter 2. After presenting the main findings and best practices, the results are discussed with regards to the theoretical background of this study. In the end of this final chapter relevant topics of further research and consideration are presented.

5.1 Main findings

When looking at the results regarding organisational factors and communicational activities in general, it seems that even though communication departments, as well as tax administrations in general, have significant differences in their budget and FTE counts, all of the FTA countries' communications department's seemed to be satisfied with the current situation and perceived their communication as successful in general. This implies that different countries clearly have a different set of standards of what is considered as being successful. More specific questions on the usage of budget and FTE's would have provided more detailed information. One example would have been a question related to the distribution of in-house and outsourced production of communications.

A key finding related to organisational factors is that size does not matter. As stated earlier, the largest tax administration was 70 times larger than the smallest but this had either no or little correlation with the communications departments' strategy or communication practices. Perhaps in some cases size can actually become a burden. For example, the utilisation of social media might be easier in a smaller tax administration despite the amount of FTE's or budget, since the greatest challenges related to social media are affiliated with their adaptation and not the technology itself (Criado 2013). It would seem logical to think that in a smaller tax administration there may be less bureaucratic barriers for piloting new and freely accessible communication technologies than in a larger one.

With regards to strategy, the results were somewhat confusing. Although over half of the countries had positive strategic objectives towards increasing transparency, there was no evidence found from the data that this would have led to differencing communication practices from those that do not have such a strategic approach. A preliminary conclusion is that the link between strategic objectives and practice is broken. If tax administrations wish to enhance tax compliance by transparency-enabled trust, they should focus on the practical implementation of strategy, monitoring the results of these implementations more often and using the insights on improving effective transparency on a strategic level. According to the results, communication measurements are underutilised. They should be reflected more with the goals and directions of communication strategies.

An illustrating example of this is the case of social media: even though social media and social networks were amongst the most important methods in addressing audiences today, communication departments were not consistent with this when observed from various strategic or practical perspectives. It was also surprising how mobile communication was not perceived to be important at all.

Moreover, as all of the tax administrations felt that communications plays a vital role with regard to tax compliance in 2018, it seems evident that every FTA member country perceives communication as important, but do not necessarily have the optimal organisational setting for it. All of the above implies that transparent, trust-enhancing communication is considered to be important in theory but lacks practical implementation. Despite the wide usage of different communication channels and technologies, the actual content of these channels might not necessarily be transparent. The contents and approaches within each channel should be revised from the viewpoint of trust-enhancing transparency. Luckily it seems that tax administrations' attitudes towards transparency have moved in a positive direction since 2017.

In the light of communication practices, there was a great deal of variance within different communication departments. Nevertheless, most tax administrations used a wide range of different service channels, marketing communicational tools as well as

social networks when communicating towards tax payers and stakeholders. With this in mind, it can be said that on a general level, tax administrations are well prepared for the challenges of the new information age and its pressures for more transparency. As the level of tax compliance within each country was not accessible, it remains unknown what the actual outcomes of this preparedness are.

5.2 Discussion

When looking at OECD's (2004, 41) spectrum of tax payer attitudes to comply, communications can be seen to enhance tax compliance most likely in the categories of "Supporters" and "Triers". It should be kept in mind that both ways to encourage tax compliance are needed: by deterrence with audits and fines and by building trust relationships with tax payers (Kirchler et al 2008, 213).

According to the theory presented earlier, in order to enhance tax compliance information should be disseminated in a variety of channels and with different approaches. Trust-based compliance can be enhanced with communications by informing, participating and engaging tax payers as well as with strengthening the social norm that most tax payers are actually compliant (e.g. Casal 2016; Bobek 2007; OECD 2017c). It should also be kept in mind that it is not just the number of channels or approaches that matters, but the balance between right depths of information in right channels that are targeted to certain audiences which are suited to the information. Hence, not much can be interpreted only from the amount of different channels and different media formats. A deeper analysis on the actual content in each channel and the audience segment of that content would be necessary.

Moreover, practically every tax administration has the possibility to further develop their communications and utilise more channels in order to increase transparency. Enhancing tax compliance with communications will require a diversified communication strategy (Fairbanks 2007; Grimmeliikhuijsen 2014, 154). This is beneficial especially in the light of reaching out to future tax payers or younger

audiences. The use of ephemeral content, disseminating information through social bookmarks and creating bold tax compliance campaigns targeted towards the youth may prove to be rewarding in the future. Therein lies a possible pitfall though, namely *transparency illusion* coined by Heald and Hood (2006, 34). In order to be effective, tax payers should be capable of processing and using these new forms of transparent information.

On the other hand, some tax administrations might relate more negatively to transparency because they juxtapose it with misinformation or scandals which could lead to a decline of trust instead of increasing trust (Grimmelikhuijsen 2014, 142). Another reason for this could be scarce resources, since tax administrations have smaller communication budget and FTE's compared to private sector (Gartner 2016). Not investing enough on communication is perhaps a missed opportunity for enhanced tax compliance, although there was no clear indication found from the data that more personnel or budget would necessarily increase the actual transparency-enhancing activities within tax administrations. Still, this is something worth considering since the larger the share of budget was, the more diverse content tax administrations produced, and diverse content could be seen to enhance transparency and trust (Grimmelikhuijsen 2014, 154).

Automation in certain communicative actions might be found to be beneficial in terms of utilising resources in a more effective way. For example, tax administration could benefit from disseminating their website news, newsletters and press releases automatically in social media channels, such as Twitter, by using RSS-feeds and third-party services. However, it must be remembered that successful experiences with channels are in a major role for increased transparency, not the utilisation of channels itself. (Hong 2013, 346.)

Also, there was a missed opportunity for many organisations as they did not perceive employees as relevant gatekeepers. Especially in a smaller tax administrations, the lack in budget or FTE's could be compensated with viewing the whole organisation as a messenger of tax compliant social norms, and utilizing staff in communicative actions

as well. This would lead tax administrations towards more transparency-based trust with a better public image (Calugareanu 2015, 326). Of course, tax administrations are not communication administrations. But in the communication society of today, it is likely that someone is going to fill in the knowledge gap of the public anyway, and thus tax officials should leverage their expertise and disseminate information beyond the organisational accounts of communication practices. The scope communication should include activities of reputation and issues management and relationship building (Sanders and Canel 2013, 7–8).

This study provided and collected new and valuable information, which can be further utilised in other studies. Therefore it can be said that this study had some significance despite the low response rate and its negative effects on the use of statistical methods. If put simply, the purpose of taxation is to provide the necessary resources for a functioning welfare society. However, as mentioned in the beginning of this study, tax compliance has always been a problem (Andreoni, Erard & Feinstein 1998, 818), and continues to be one. By utilising findings from this study it is possible the lower the administrative burden of coercive power and increase the level of voluntary compliance with communications, which again strengthens positive social norms and makes the job easier. Communication departments can utilise the results of this study in multiple ways. They can benchmark their performance against other FTA member countries, pick up new channels and perhaps rethink their communication strategy.

There were several topics of future research and consideration that arose from this study. Firstly, it would be interesting to conduct a more detailed gap analysis to find differences between strategic objectives and operations within each of the OECD's FTA countries. Moreover, a quantitative study reflecting the reasoning behind the answers provided could bring valuable information about the key issues that tax administration itself perceive to be important. This could be conducted for example by selecting four or five countries that had major differences in their answers within this survey, and interviewing the respondents via e-mail or phone.

Secondly, since there are multiple reasons that have impact on tax compliance levels, it would be interesting to use more additional datasets as a comparative data and reflect the findings from this study against them. Information regarding the efficiency of each tax administration as well as the levels of audits and fines would be valuable when weighing the actual outcomes of transparent communications.

Examples of additional informative datasets could be for example a dataset provided by the European Social Survey regarding the general attitudes and values of a certain nation towards their government. Furthermore, interesting relations could be found from example by mirroring the results with Freedom House (2018) indexes about the political and press freedom around the world. In addition, with regards to the utilisation of online communication, it would be interesting to reflect the data with a global statistics of internet penetration rate and mobile usage, and see if there are missed opportunities in terms of mobile-driven service and communication channels.

Thirdly, one research topic could be found by narrowing the research questions towards the overall strategy and transparency of tax administrations. Since this study was conducted as an assignment and therefore studied also the overall functions of communications departments, some of the data collected was later found to be somewhat irrelevant in terms of transparency-enhanced trust, which was the primary theoretical angle of this study.

More research is needed in order to broaden the perception of communications' impact on tax compliance. All of the major concepts of this study: tax compliance, government communication and transparency-enhanced trust, are complex and multidimensional and therefore require further exploration.

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APPENDIX 1: SURVEY QUESTIONNAIRE

Tax Finland and OECD – Communications Survey 2018

This questionnaire aims to provide an analysis on the role of communications in enhancing tax compliance.

With the term "Communications department" we mean a section in your organisation that is responsible for internal and external communication activities (e.g. press releases, website content, intranet, social media management).

Your contribution is highly appreciated!

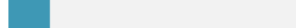
The survey requires approximately 15-20 minutes to complete.

Please submit only one answer per country. As this is not a personal survey, multiple persons can contribute filling in the needed information. You can pause filling the form by pressing "Break" button in the bottom left corner of the page and continue later from the link that is provided after pressing the button.

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Tax Finland and OECD – Communications Survey 2018

Background information

1. My country is... *

This information will be separated from the survey data and will not be given to anyone outside the research team. Privacy is fully respected.

Country

2. Is there an information access law adopted in your country?

Information access law refers to a legal demand for institutional openness, "principle of publicity" in governmental organisations or public access to government information.

--- Please select --- ▼

3. Communications department's demographic factors.

Please answer in a numeric form. If you do not know the exact amount or it is not specifically allocated to your department, please write down an estimate. Please declare communications budget without wages.

What is the annual overall budget of your communications department in your local currency?

How much workforce there is in your communications department measured in man years / FTEs (Full-time equivalent)?

Please estimate the number of FTEs engaged in communications work that are employed within business units and ARE NOT INCLUDED in the budget or FTE numbers of the communications department (e.g. employee advocates, tax experts as media spokespersons etc.)

4. In your opinion, how successful is the communication of your organisation in general?

(1) Not successful at all - (7) Very successful

1 2 3 4 5 6 7

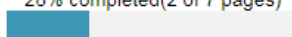
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Tax Finland and OECD – Communications Survey 2018

Communicational activities

This section aims to get insight on the current communicational activities that are being carried out.

5. Which of the following does your tax administration actively use for communicating with taxpayers?

Multiple selections possible.

- | | |
|--|--|
| <input type="checkbox"/> Website | <input type="checkbox"/> Online services |
| <input type="checkbox"/> Mobile application | <input type="checkbox"/> Phone customer service |
| <input type="checkbox"/> Chat customer service | <input type="checkbox"/> E-mail |
| <input type="checkbox"/> Paper letters | <input type="checkbox"/> SMS text messages |
| <input type="checkbox"/> Self-help e-service points | <input type="checkbox"/> Offices with customer service |
| <input type="checkbox"/> Other (please specify) <input type="text"/> | |

6. Which of the following marketing communicational tools your communications department actively use?

Multiple selections possible.

- | | |
|--|---|
| <input type="checkbox"/> Press release | <input type="checkbox"/> Newsletter |
| <input type="checkbox"/> Social media marketing | <input type="checkbox"/> Online advertisement (such as banners) |
| <input type="checkbox"/> Newspaper/magazine advertisement | <input type="checkbox"/> TV advertisement |
| <input type="checkbox"/> Radio advertisement | <input type="checkbox"/> Events |
| <input type="checkbox"/> Other (please specify) <input type="text"/> | |

7. Which of the following social media services does your tax administration actively use for communicating with taxpayers?

Multiple selections possible. In this section we are looking for answers regarding organisation's social media accounts, NOT employees personal social media accounts. (Such as employee advocates etc.)

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Facebook | <input type="checkbox"/> Twitter |
| <input type="checkbox"/> YouTube | <input type="checkbox"/> LinkedIn |
| <input type="checkbox"/> SlideShare | <input type="checkbox"/> Google+ |
| <input type="checkbox"/> Wikipedia | <input type="checkbox"/> Instagram |
| <input type="checkbox"/> Snapchat | <input type="checkbox"/> Blog |
| <input type="checkbox"/> Other (please specify) <input type="text"/> | |

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Tax Finland and OECD – Communications Survey 2018

Engagement

This section aims to get insight regarding engagement, which is a much-debated concept in society and organisations today.

8. Please pick three (3) most important methods in addressing stakeholders, gatekeepers and tax payers today.

- ☐ Face-to-face communication
- ☐ Online communication via websites, e-mail, extranets
- ☐ Social media and social networks (Blogs, Twitter, Facebook and the like)
- ☐ Press and media relations with online newspapers/magazines
- ☐ Press and media relations with TV and radio stations
- ☐ Press and media relations with print newspapers/magazines
- ☐ Mobile communication (phone/tablet apps, mobile websites)
- ☐ Non-verbal communication (appearance, architecture)
- ☐ Corporate publishing/owned media (customer/employee magazines)
- ☐ Events

9. Please pick three (3) issues which you believe will be most important for public relations / communication management within the next three years.

- ☐ Linking strategy and communication
- ☐ Coping with the digital evolution and the social web
- ☐ Building and maintaining trust
- ☐ Dealing with the demand for more transparency and active audiences
- ☐ Dealing with the demand of efficiency and less bureaucracy

10. How would you identify tax payer engagement through communication and interaction towards your organisation? Please pick up to three (3) of the most relevant items.

Tax payers show engagement, if they ...

- ☐ communicate actively with the organisation or give feedback (e.g. write e-mails or letters, like/comment on social media, call the service line, answer questionnaires)
- ☐ work along / together with the organisation (e.g. use the latest e-services and send feedback)
- ☐ talk to others positively about the organisation in social networks (e.g. share Facebook/Twitter posts, recommend services)
- ☐ participate in decision-making (e.g. as member of advisory committees, boards)
- ☐ inform themselves about the organisation (e.g. view websites, follow on Facebook or Twitter, install apps, visit events)
- ☐ become institutionalised supporters (e.g. parental advising, good word-of-mouth)

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Tax Finland and OECD – Communications Survey 2018

Monitoring and analytics

This section aims to get insight on the measuring of communicational activities.

11. Which of the following have been implemented in your organisation or are planned for 2018?

	Not planned	Planned for 2018	Already implemented
Website analytics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media monitoring on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media analytics and reporting on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media monitoring/listening on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issues monitoring and management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stakeholder dialogues on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stakeholder research on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taxpayer dialogues on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taxpayer research on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. How are insights from communication measurements used in your organisation?

Scale: (1) Never – (5) Always

	1	2	3	4	5
Evaluating the success of communication activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning upcoming communication activities and topics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Explaining the value of communication to top executives and internal clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reflecting goals and directions of communication strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leading communication teams and steering agencies / service providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. Has your organisation developed strategic communication programmes or PR campaigns which target different audience segments with different media?

(Audience segments can refer to individuals, companies, age groups etc.)

--- Please select --- ▼

Break

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71% completed(5 of 7 pages)

Tax Finland and OECD – Communications Survey 2018

Strategic objectives

This section aims to get insight on the communication department's strategic actions and objectives.

14. In your organisation's strategy, how important communications is seen in terms of enhancing tax compliance?

- ☐ Very important (communications has a vital role regarding tax compliance)
- ☐ Fairly important (communications has a role regarding tax compliance)
- ☐ Somewhat important (communications has a minor role regarding tax compliance)
- ☐ Not important at all (communications has no role regarding tax compliance)
- ☐ Prefer not to respond

15. How closely does the communication function in your organisation work with the following?

Scale: (1) Never – (5) Always

	1	2	3	4	5
General Manager / president (highest ranking executive in your tax administration)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other members of the executive board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategy and organisational development unit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Human resources department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditing and controlling unit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. How important these following issues are to communications department?

Scale: (1) Not important at all – (5) Very important

	1	2	3	4	5
Support top executive(s)/senior manager(s) by providing information/insights for their decisions and activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support other staff by providing information/insights for their decisions and activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advise top executive(s)/senior manager(s) how to handle specific communicative challenges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advise other staff how to handle specific communicative challenges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enable top executive(s)/senior manager(s) to recognise the communicative dimension of their decisions and activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enable other staff to recognise the communicative dimension of their decisions and activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enable top executive(s)/senior manager(s) to master communicative challenges on their own	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enable other staff to master communicative challenges on their own	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. Please rate the following statements from the point of view of your organisation.

Scale: (1) Strongly disagree – (5) Totally agree

	1	2	3	4	5
Employees who are very active on the social web are relevant gatekeepers for my organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax payers who raise their voice on the social web are relevant gatekeepers for my organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organisation has developed adequate strategies and instruments to communicate with new gatekeepers on the social web	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media content changes the perceptions of external stakeholders about my organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring social media changes our own perception of stakeholders and other organisations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. Please rate the following statements from the point of view of your organisation.

Scale: (1) Strongly disagree – (5) Totally agree

	1	2	3	4	5
Communicating internationally is important for my organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communicating internationally will become more important within the next three years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organisation has solid structures and strategies for international communication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Tax Finland and OECD – Communications Survey 2018

Transparency

This section aims to get insight on the transparency of the tax administration.

19. Please rate the following statements from the point of view of your organisation.

Scale: (1) Strongly disagree – (5) Totally agree

	1	2	3	4	5
Open and transparent communication is important for my organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax payers demand more transparency in communication compared to three years ago	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important for my organisation to offer BOTH detailed information on the website AND easily understandable information shared in social web	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important for my organisation to utilize new ways of communicating, such as social media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to show tax payers and stakeholders where tax money is spent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to show tax payers and stakeholders how tax authorities work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. Which of the following media content your tax administration actively produces, both as in-house and outsourced?

Multiple selections possible.

<input type="checkbox"/> Reports	<input type="checkbox"/> Statistics
<input type="checkbox"/> Photos	<input type="checkbox"/> Online videos
<input type="checkbox"/> Slide sharing	<input type="checkbox"/> Wikis
<input type="checkbox"/> Online audio (e.g. podcasts)	<input type="checkbox"/> Live streaming (such as Facebook live streaming, YouTube live, Periscope, Instagram live)
<input type="checkbox"/> Ephemeral content (such as 24-hour Stories on Instagram and Snapchat)	<input type="checkbox"/> Polls (e.g. in Twitter or in Facebook)
<input type="checkbox"/> Social bookmarks (e.g. Pinterest, Reddit)	<input type="checkbox"/> Web conferences (live or recorded webinars, online courses etc.)
<input type="checkbox"/> Other (please specify)	
<input type="text"/>	

21. Please rate the following statements from the point of view of your organisation.

Scale: (1) Strongly disagree – (5) Totally agree

	1	2	3	4	5
As tax authorities, all of our communication needs to be official and authoritative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Open and transparent communication can be seen as a risk to our organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In order to enhance tax compliance, only positive aspects of tax administration should be communicated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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APPENDIX 2: ANONYMISED DATA AND LABELING OF VARIABLES

Anonymised data can be found from the following link in .csv format, available until 31 May 2019: <https://bit.ly/2MQW19y>

Topics	Variable name (first ... last)	Variable number
Background information	YEAR ... BG_SUCCESS	1 - 8
Communicational activities: This section was aimed to get insight on the current communicational activities that are being carried out.	CA_WEBSITE ... CA_SOMESUM	9 - 45
Engagement: This section was aimed to get insight regarding engagement, which is a much-debated concept in society and organisations today.	ENG_ADDR_F2F ... ENG_IDENTIFY_INST_SUPPORT	46 - 66
Monitoring and analytics: This section was aimed to get insight on the measuring of communicational activities.	MON_IMPL_Websiteanalytics ... MON_SEGMENTATION	67 - 81
Strategic objectives: This section was aimed to get insight on the communication department's strategic actions and objectives.	STRGY_CLOSENESS_HIGH EST ... STRGY_RATE_INTL_COMMS_STRGS	82 - 104
Transparency: This section was aimed to get insight on the transparency of the tax administration.	TRNSPRCY_ISIMPORTANT ... TAXCOMPLIANCE	105 - 128